



25 October 2023

Sierra Nevada Gold September 2023 Quarterly Report

Highlights

Warrior Project, Nevada

- Early-stage exploration has identified an epithermal Au-Ag vein system within the OMCO area, 5km west of the Warrior Mine.
- Rock chip sampling returned up to 6.78ppm gold and 101ppm silver at Kouta.
- The Kouta epithermal system extends over 400m in width and over 850 m strike.
- Several epithermal veins within the project show significant exploration upside - drill targets developed.
- SNX's pXRF soil program within the OMCO claim area supports rock chip sampling results and identifies additional high priority geochemical targets.
- Drilling planned for November 2023 at the nearby Warrior Mine, a potentially company-making project.

Blackhawk Project, Nevada

- Drill targeting within the Blackhawk epithermal vein system has identified numerous high impact targets within the Endowment mining centre.
- Discussions continued with interested third parties regarding a potential partnership to advance exploration of its large-scale Blackhawk copper-gold project in Nevada, USA.

Corporate

- **Non-renounceable Rights Offer completed, raising \$A1.3 million (before costs)**

Sierra Nevada Gold (ASX: SNX) is pleased to provide a report on its activities for the quarter ending 30 September 2023.

Executive Chairman Peter Moore said: "Our work this quarter returned exciting results, highlighting several veins and targets at our focus project, Warrior, in central Nevada, following a dedicated "boots on the ground" exploration program through 2023. With three new targets at Kouta, Jezza and Stix to follow up, we are looking forward to commencing our next phase of drilling at Warrior in the coming quarter which will test the historic Au-Ag-bearing veins at the Warrior Mine, with drilling of our new targets to follow.

"I thank our Shareholders who participated in our Rights Offer which raised \$A1.3 million to help us continue our exploration in Nevada and look forward to providing updates as this work progresses."



Warrior Project, Nevada, USA

In October, SNX announced results from reconnaissance mapping, rock chip sampling and portable XRF (pXRF) soil programs at its OMCO claim area within the Warrior project. Results from these programs have identified a significant Au-Ag epithermal system, with both drill-ready targets and additional highly prospective exploration targets within the property, adding further to Warrior’s potential to host a company-making discovery.

Three targets **Kouta**, **Jezza** and **Stix** were identified across the OMCO claim area (Figure 1). Initial surface rock chip sampling of the vein systems has yielded high grade results up to 6.78ppm Au and 101ppm Ag at Kouta. In addition, OMCO hosts a large area of significant, high level, epithermal geochemical anomalism, and alteration within the Jezza target, defined by mapping, rock chip sampling and soil pXRF analysis. Jezza lies between the proven high-grade Au-Ag vein system at Kouta and the historic producing high-grade Olympic Au vein at the OMCO mine and remains to be drill tested. At Stix, highly elevated geochemical pathfinder anomalism coincides with a well-defined sinter up flow and outflow zone’s situated along strike to the northeast of historical mine workings where high level textured epithermal vein material has been identified on mine dumps.

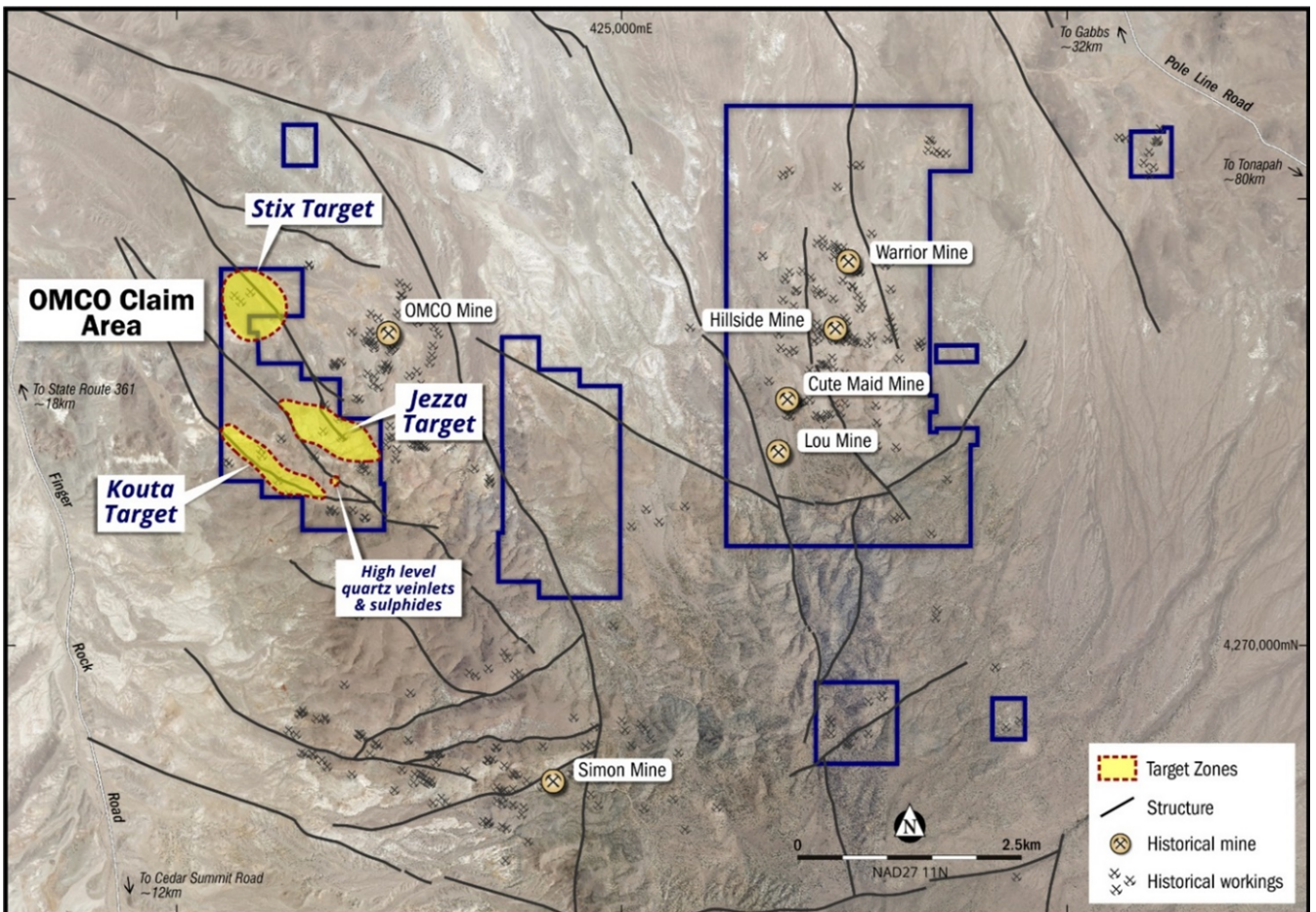


Figure 1. Location diagram showing the location of the OMCO claim area within the Warrior Project and the newly identified Kouta, Jezza and Stix targets amid mining centres, historic workings, major structures, and county-maintained access roads. SNX granted claims are in blue.



Results from sampling of the vein systems, vein characterisation and geochemistry across the OMCO claim area show that the low sulfidation epithermal systems contain both high-grade Au-Ag mineralisation and high order geochemical path finder anomalies at surface, zonation of which allows for detailed targeting of high-grade zones in each vein system.

Project background and exploration context can be found in our ASX Announcement dated 6 October 2023: [SNX identifies additional high-grade Au-Ag epithermal vein systems at the Warrior Project, USA](#)

Next Steps

SNX is developing drill targets to test the extent and grade of mineralisation within the OMCO epithermal vein systems. Initial drilling is planned to test the Kouta target, whilst additional mapping and rock chip sampling is ongoing across the OMCO claim area, focusing on areas of outcropping mineralisation and geochemical anomalism identified through the successful soil pXRF program.

A 12-hole RC drilling program is planned to commence in November 2023 at the high-grade Warrior Mine located 5kms to the east of OMCO where drilling last year returned several high-grade intercepts. (see ASX announcements ["SNX confirms large epithermal gold system at Warrior Project, Nevada, USA" 28th Feb 2023](#) & ["Warrior returns up to 74g/t Au from mine dump sampling" 19th May 2023](#)).

Blackhawk Porphyry Project, Nevada

SNX has commenced discussions with several parties regarding a potential partnership to advance exploration of its large-scale Blackhawk copper-gold project in Nevada, USA, allowing the company to focus on exploration and development of its flagship Warrior gold-silver project, also in Nevada.

These discussions continued through the September 2023 Quarter.

Blackhawk Epithermal Project – Endowment Mine prospect

SNX designed a 1900m drill program at the Endowment Mine prospect, with permitting approved. Planned drilling will follow up on previous successful drillhole BHD006 (drilled by Sierra Nevada Gold in 2017) which returned an intercept of **12.0m at 219g/t Ag, 0.36g/t Au, 3.05% Pb and 8.54% Zn** from 250-262m downhole. This interval includes a high-grade core of **5.0m at 479g/t Ag, 0.73g/t Au, 6.96% Pb and 19.84% Zn** from 256-260m downhole (details previously reported - Sierra Nevada Gold Replacement Prospectus - Page 32).

BHD006 was drilled beneath the Endowment mine to test for depth extensions of historically mined veins, and successfully intersected the Contact Vein 240m vertically below surface. This greater than 200m down dip extension of the vein from surface attests to the strength and predictability of the vein system at Endowment and gives encouragement for future discovery.

The Blackhawk epithermal vein system is prospective for high-grade, structurally controlled Ag-Au and base metal deposits and is partially coincident with, and adjacent to, the northern edge of the extensive Blackhawk porphyry system. The epithermal vein system covers an area of approximately 5km² and contains up to 22-line kilometres of mostly untested veins. At least eight historic mining areas were operated within the Blackhawk epithermal vein system between the 1860s and the early 1900s, the main mining areas being around the Endowment, Morning Star and Blackhawk mines (Figure 2).

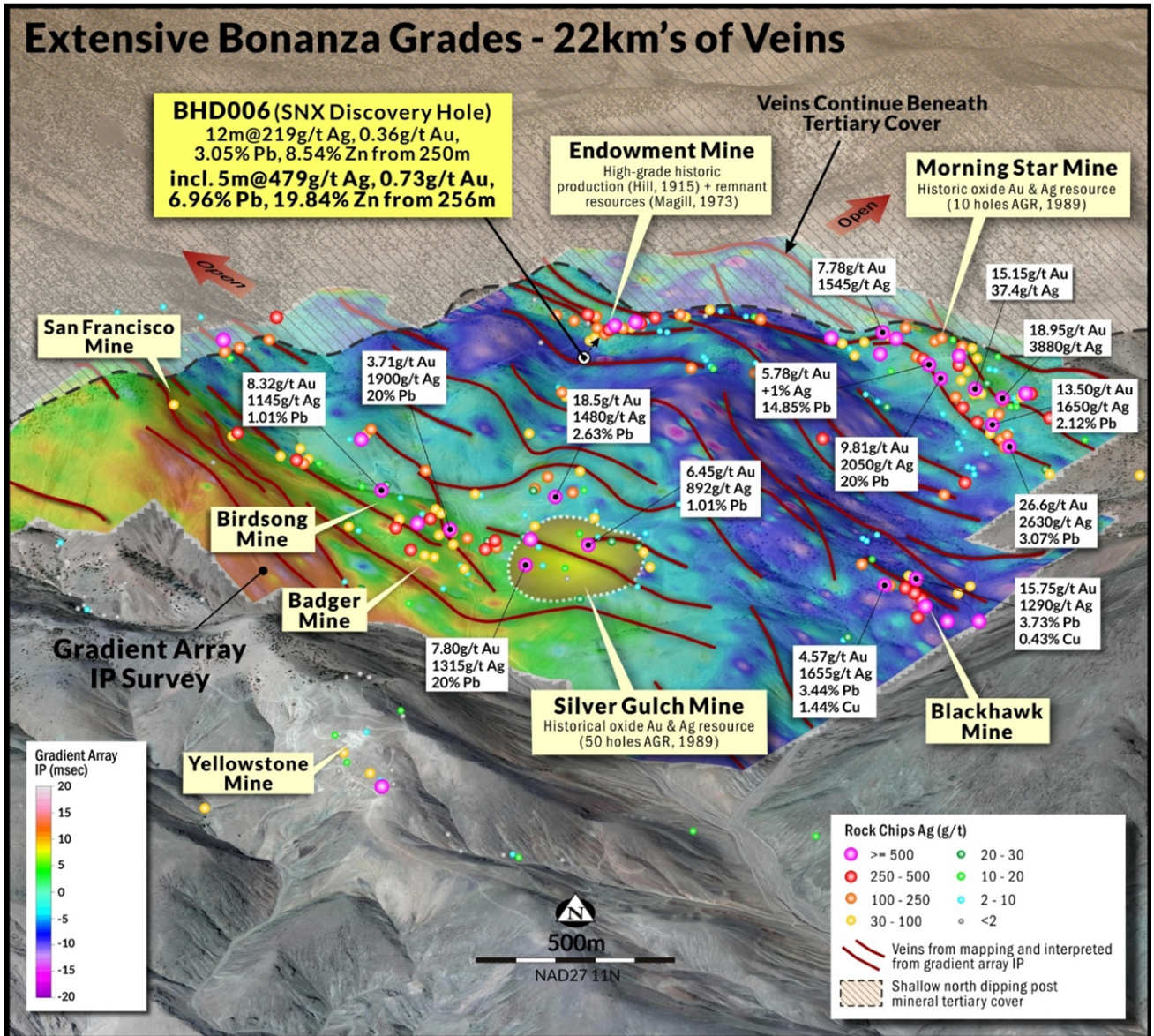


Figure 2. Oblique view looking northwards showing the Blackhawk epithermal vein field (in red), silver rock chip geochemistry, location of BHD006 and historical mines. Image draped on the surface is results from a gradient array IP survey showing chargeability.

Next Steps

SNX will finalise preparations for the planned drilling program at Blackhawk epithermal target, focused on high impact targets beneath and along strike of the Endowment Mine.

Discussions continued with interested third parties regarding a potential partnership to advance exploration of its large-scale Blackhawk copper-gold project in Nevada, USA.

Exploration activities for the quarter

During the quarter, SNX undertook the exploration activities outlined above. During the quarter ended 30 September 2023, SNX's cash expenditure on exploration activities was approximately US\$455K.



CORPORATE

Non-Renounceable Rights Offer

SNX completed non-renounceable rights offer of 5 new CHESSE Depository Interests (CDIs) for every 8 CDIs held (representing new fully paid shares of common stock) at the price of A\$0.08 (Rights Offer). SNX received applications for 11,652,924 new CDIs under the rights offer and applications for 4,148,964 new CDIs under the shortfall offer, raising \$A1,264,151 before costs.

In accordance with the shortfall policy detailed in section 1.6 of the Offer Booklet, the shortfall of 19,499,404 New CDIs may be placed to one or more investors within three months of the closing date of the Rights Offer, at the Company’s directors’ discretion, in consultation with Foster Stockbroking (the lead manager), at a price not less than the \$0.08 per New CDI offer price under the Rights Offer.

Payments to related parties

Payments to related parties disclosed in items 6.1 and 6.2 of the accompanying Appendix 5B are payments of directors fees, management fees and salaries.

Use of funds comparison

Set out below is a comparison of the Company’s actual expenditure on the individual items in the “use of funds” statement since the date of admission to the official list against the estimated expenditure on those items in the “use of funds” statement in the IPO prospectus.

	Use of funds estimate (per Prospectus) A\$	Cash payments to 30 September 2023 A\$*
Exploration expenditure	7,685,000	7,705,570
Project payments and claim fees	640,000	567,720
General administration and working capital	521,000	1,254,849
Estimated expenses of the offer	1,154,000	416,913
Totals	10,000,000	9,945,052

* - the Company’s accounts are maintained in US\$; the A\$ amounts above are calculated using the average exchange rates during the relevant period

The Company considers that it is generally “on track” regarding its exploration projects and has achieved encouraging results. However, exploration expenditure to date has been significantly higher than budgeted for the relevant comparative period, reflecting the level of expenditure for mobilization, establishment, and execution of the Company’s drilling campaign, as well as high general increases in cost levels compared to original budgets and the adverse effects of unforeseen delays in securing drilling equipment, unforeseen weather events and unfavourable foreign exchange movements. General administration and working capital costs are higher than budgeted due to unforeseen delays, general global cost increases, inflation, supply chain issues, unforeseen unbudgeted costs, and unfavourable foreign exchange movements. The Company will monitor these factors and manage its forecast expenditure, cashflow requirements and assess funding options as required. In addition, payments for the actual costs of the offer were below the estimate in the IPO prospectus as the Company paid for some offer expenses from available funds prior to the date of admission to the official list and prior to the receipt of IPO funds.



About Sierra Nevada Gold (SNX)

Sierra Nevada Gold (SNX) is an ASX-listed company actively engaged in the exploration and acquisition of precious and base metal projects in the highly prospective mineral trends in Nevada, USA since 2011. The Company is exploring five 100%-controlled projects in Nevada, comprising four gold and silver projects and a large copper/gold porphyry project, all representing significant discovery opportunities for the company.



Figure 3 Location of SNX projects in Nevada, USA showing the location of the major gold and copper deposits.



This announcement was authorised for release by Mr Peter Moore, Executive Chairman of the Company.

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Competent Persons Statement

Information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr. Brett Butlin, a Competent Person who is a fellow of the Australian Institute of Geoscientists (AIG). Mr. Butlin is a full-time employee of the Company in the role of Chief Geologist and is a shareholder in the Company. Mr. Butlin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Butlin consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 1 – Schedule of Claims

ASX listing rule 5.3.3

Country	Project	Tenement ID	Tenement Name	Area (km ²)	Interest at beginning of quarter	Interest at end of quarter	Comment
USA	Blackhawk	NMC1183493	BH Claims (206 Claims)	16.67	100%	100%	No Change
USA	Blackhawk	NMC1165344	BK Claims (194 Claims)	15.70	100%	100%	No Change
USA	Blackhawk	NMC1097391/ NMC1116711/ NMC1174223	EX/MEX Claims (230 Claims)	18.61	100%	100%	No Change
USA	Blackhawk	NMC1110298	Blackhawk Claim (1 Claim)	0.008	100%	100%	No Change
USA	Blackhawk	NMC1203497	GF Claims (8 Claims)	0.65	100%	100%	No Change
USA	Blackhawk	NMC1106537/ NMC1141061	D, EN, MA Claims (12 Claims)	0.97	100%	100%	Managed Third Party Claims
USA	Blackhawk	NMC799825	HP Claims (5 Claims)	0.40	100%	100%	Managed Third Party Claims
USA	Blackhawk	Patent 21683	SFO Patent (1 Patent)	0.008	100%	100%	Managed Third Party Patent
USA	Colorback	NMC1045249	Colorback Claims (34 Claims)	2.75	100%	100%	Managed Third Party Claims
USA	Colorback	NMC1045242	Scotty Group Claims (8 Claims)	0.65	100%	100%	Managed Third Party Claims
USA	Warrior	NMC1061934	WA Claims (91 Claims)	7.36	100%	100%	No Change
USA	Warrior	Not assigned	WR Claims (156 Claims)	12.63	100%	100%	No Change
USA	Warrior	NMC110779/ NMC343517/ NMC343528	Hillside Claims (13 Claims)	1.05	100%	100%	Managed Third Party Claims
USA	New Pass	NMC1085427	NP Claims (62 Claims)	5.02	100%	100%	No Change
USA	New Pass	NMC1051851	PW Claims (114 Claims)	9.23	100%	100%	No Change
USA	New Pass	NMC870386	Jung Claims (4 Claims)	0.32	100%	100%	Managed Third Party Claims
USA	New Pass	Jung Patents	Jung Patents (8 Patents)	0.65	100%	100%	Managed Third Party Patents

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sierra Nevada Gold Inc.

ARBN

653575618

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs		
	(e) administration and corporate costs	(199)	(629)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(199)	(629)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	(57)
	(d) exploration & evaluation	(455)	(1,663)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (security deposits)	-	-
2.6	Net cash from / (used in) investing activities	(455)	(1,720)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	815	815
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Payment of Lease liabilities	(9)	(27)
3.10	Net cash from / (used in) financing activities	806	788
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	843	2,576
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(199)	(629)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(455)	(1,720)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	806	788
4.5	Effect of movement in exchange rates on cash held	(20)	(40)
4.6	Cash and cash equivalents at end of period	975	975

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	975	843
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	975	843

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	70
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(199)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(455)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(654)
8.4	Cash and cash equivalents at quarter end (item 4.6)	975
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	975
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.49
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: Yes, however the Company is of the opinion that it has more than 1.49 quarters of funding available if required as it can immediately reduce short term cash outflows by controlling the scope and timing of its future project activities, and related cash flows, as required.</p>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer: The Company is currently seeking to place shortfall shares, arising from the rights offer it conducted during the September 2023 quarter, to raise further cash to fund its operations. The Company believes that, if further funding was required, there is a reasonable likelihood that steps to obtain such funding would be successful in light of the promising findings to date from the Company's drilling results, the potential of the Company's projects, support from the Company's existing investors and the potential to source new investors.</p>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Answer: Yes, the Company believes it will be able to continue its operations and meet its business objectives as it has the ability to raise further funds as required, as noted above, and also has the ability to manage its cash payment commitments to match available cash as and when required.</p>	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2023

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.