



24 January 2024

## Sierra Nevada Gold December 2023 Quarterly Report

### Highlights

#### Warrior Project, Nevada

- RC drilling completed in December testing interpreted near-surface mineralisation within the Gold Coin and Discovery Shaft areas at Warrior. Results expected January 2024. Historical underground rock chip sampling (circa 1920s) returned bonanza grades from within the workings.<sup>1</sup>
- SNX sampling of mine dumps at Gold Coin Shaft and Discovery Shaft returned high-grade gold up to 74.1g/t Au from discarded vein material.<sup>2</sup>
- In addition, drilling will follow up on SNX's intercept of 17.07m at 1.57g/t Au including 2.44m at 7.76g/t Au returned from 2022 RC drilling.<sup>3</sup>
- Early-stage exploration comprising mapping, rock chip sampling and pXRF analysis identify epithermal Au-Ag vein system within the Kouta target, OMCO located 5km west of the Warrior Mine.<sup>4</sup>

#### Corporate

- Completed rights offer shortfall, raising \$1.5 million in total to advance Nevada exploration.

Sierra Nevada Gold (ASX: SNX) is pleased to provide a report on its activities for the quarter ending 31 December 2023.

**Executive Chairman Peter Moore said:** *"We have finished off 2023 with impressive results. In addition to the identification of the promising new Kouta target, we completed RC drilling within the Gold Coin and Discovery Shaft areas within the Warrior Mine. Sampling of mine dumps and results from 2022 RC drilling indicate that we should expect strong results. We look forward to keeping you updated on our progress in 2024."*

<sup>1</sup> Sierra Nevada Gold Replacement Prospectus - Annexure A. Independent Geological Report pages 71-73

<sup>2</sup> ASX Release 19 May 2023 – "Warrior returns up to 74g/t Au from mine dump sampling."

<sup>3</sup> ASX Release 28 February 2023 – "SNX confirms large epithermal gold system at Warrior Project, Nevada, USA."

<sup>4</sup> ASX Release 6 October 2023 – "SNX identifies additional high-grade Au-Ag epithermal vein systems at the Warrior Project, USA."

## Warrior Project, Nevada, USA

### OMCO Claim Area

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 Gold 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 see figure 1.

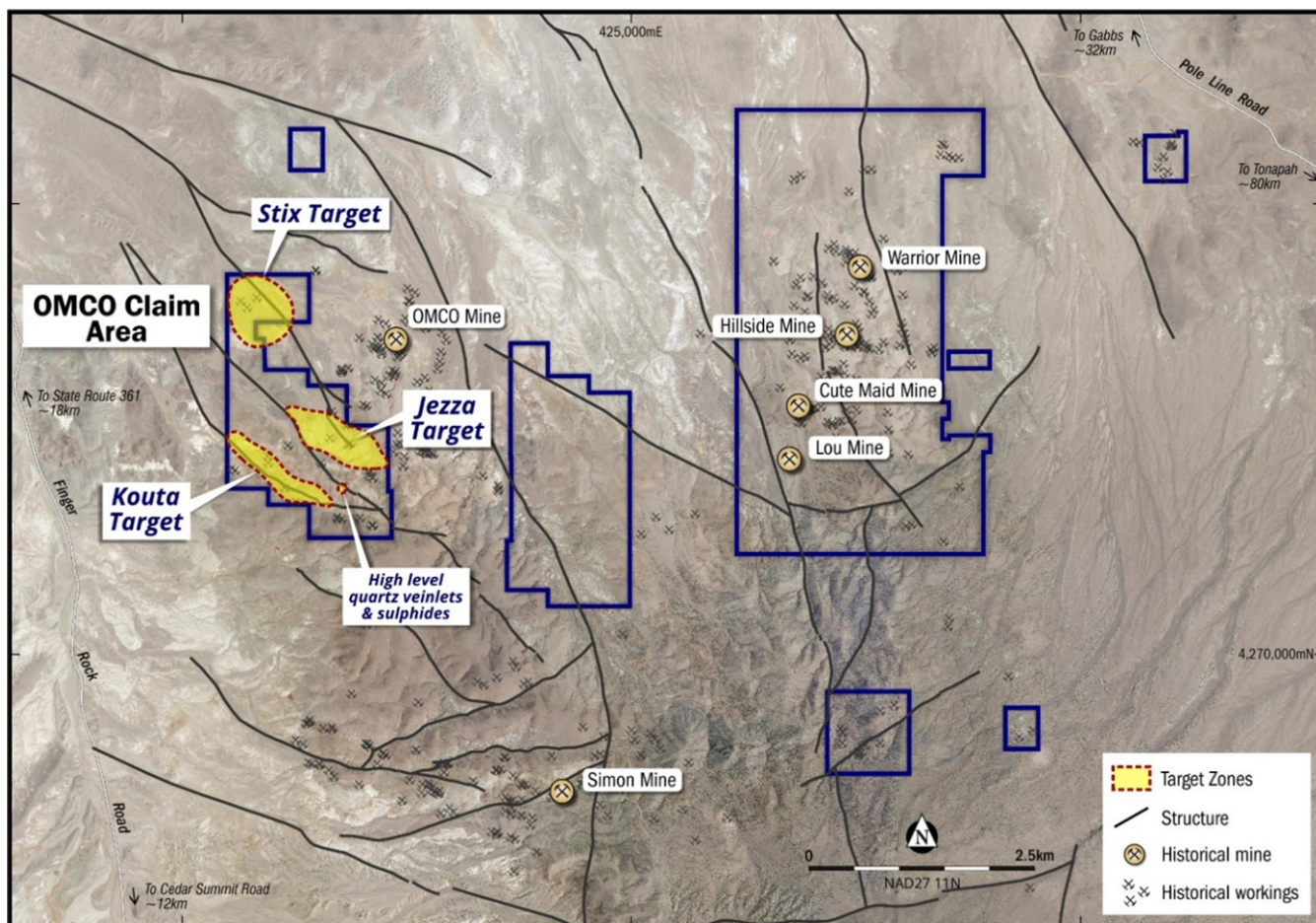


Figure 1. Location diagram showing the location of the OMCO Claim Area within the Warrior Project and the newly identified target zones Kouta, Jezza and Stix. Figure shows mining centres, historic workings, major structures, and county-maintained access roads. The extent of SNX granted claims are in blue.

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. 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.





## Warrior Mine Area

In December, SNX completed a 12 hole, 913m reverse circulation (RC) drilling program at its Warrior Gold Project, located 5kms to the east of OMCO. Drilling at Warrior in 2022 returned several high-grade intercepts including **17.07m at 1.57g/t Au<sup>1</sup>** including **2.44m at 7.76g/t Au<sup>1</sup>** from WARC007. The drilling program focused on testing the upper limits of the Warrior vein where historic underground sampling (circa 1920s) returned high-grade composite results including:

- **90m at 52.38g/t Au<sup>1</sup>** (Discovery Shaft Level 1) from 109 samples taken across the vein, along vein strike;
- **15m at 59.93g/t Au<sup>1</sup>** (Discovery Shaft Winze) from 27 samples taken across the vein, down vein dip; and
- **33m at 27.35g/t Au<sup>1</sup>** (Gold Coin Shaft) from 18 samples taken across the vein, down vein dip.

Importantly, until now these near-surface portions of the Warrior vein have **never been drill tested**.

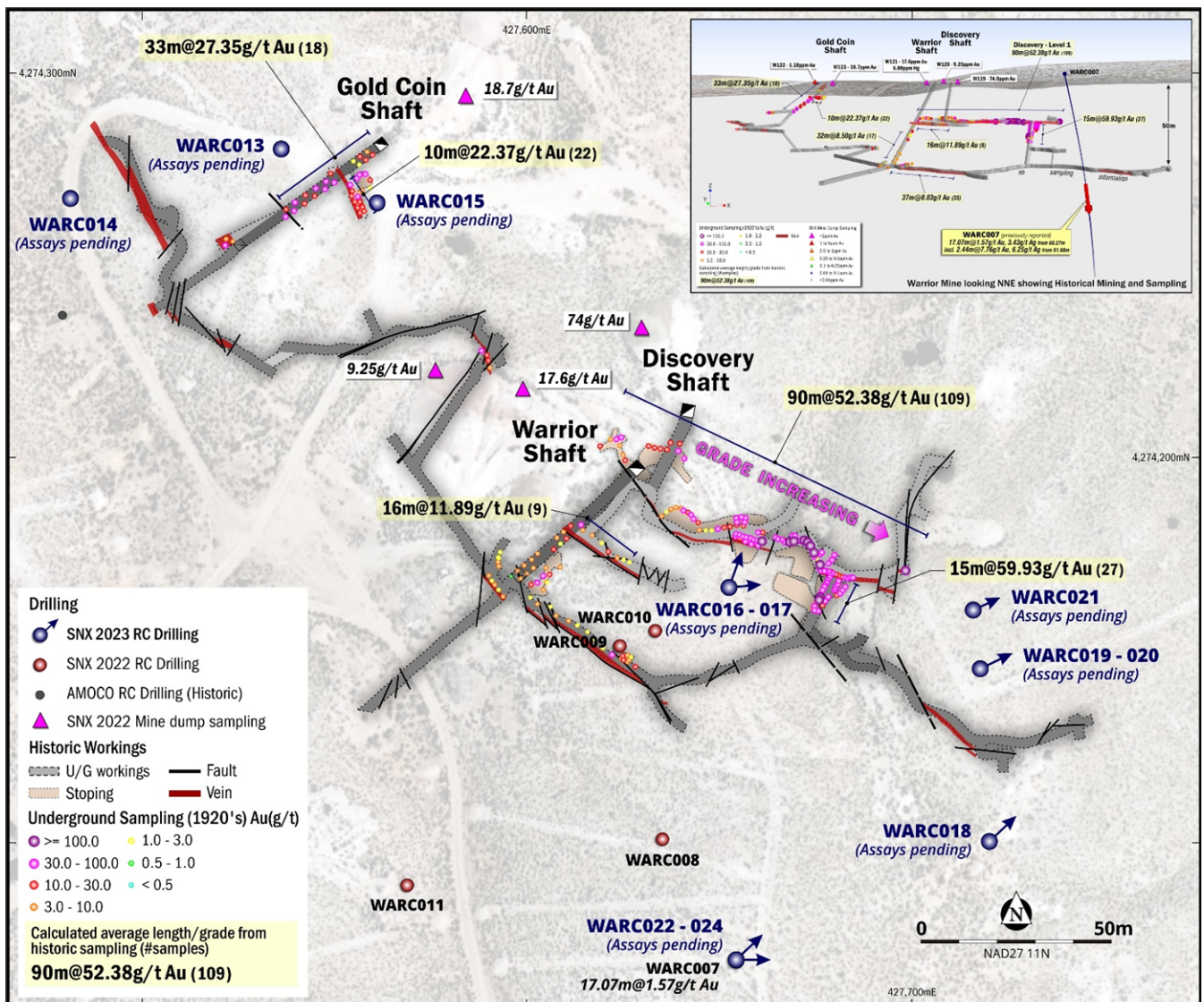


Figure 2. Location plan showing the recent RC drilling (WARC013-024), UG workings with historic sampling and surface rock chip mine dump sampling.



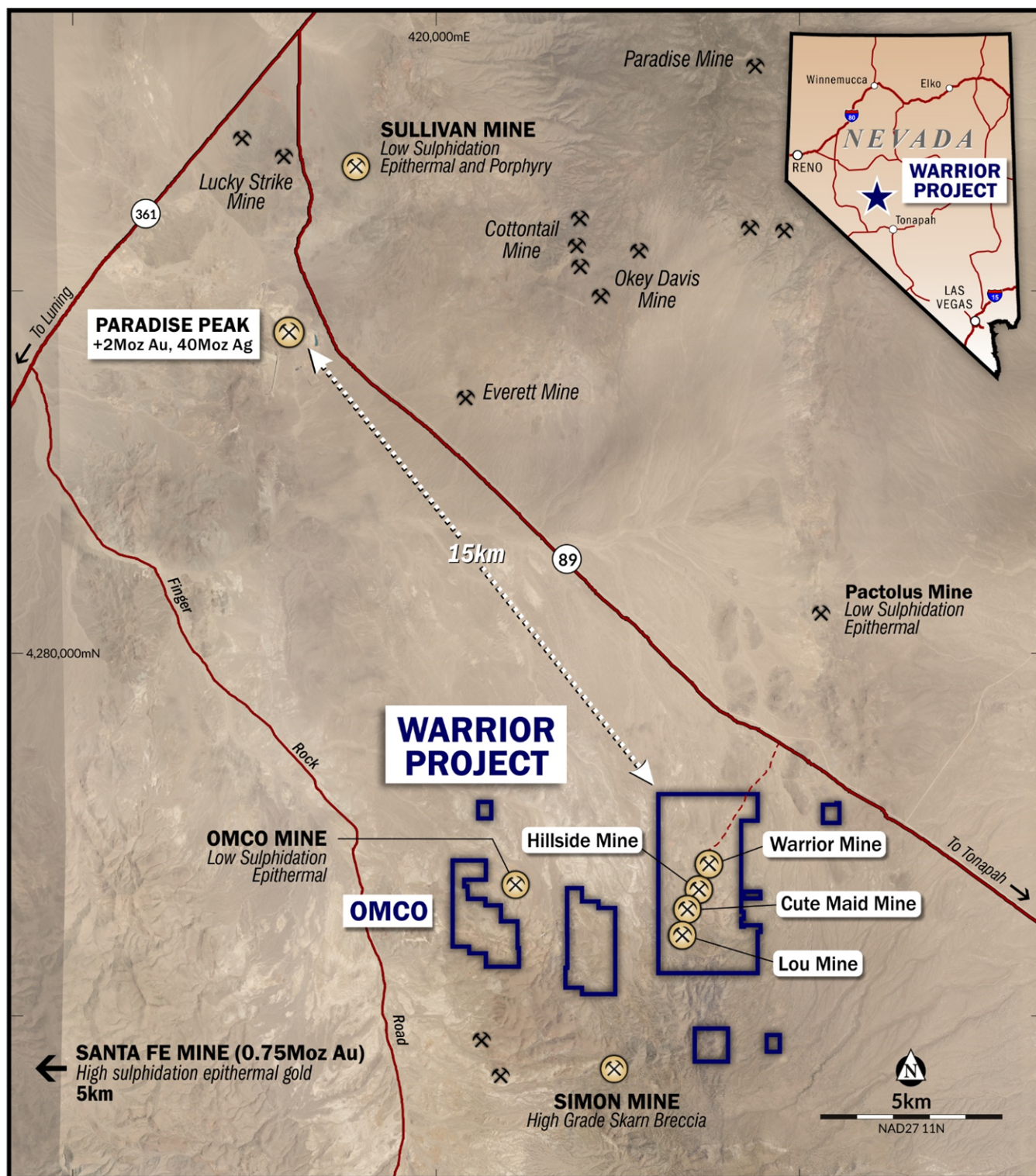


Figure 3 – ASX 30/11/2023. Location of the Warrior Project showing mining centres, historic mines, and access roads. SNX granted claims are in blue.

### Warrior Exploration Context

For further background on the exploration context, SNX's previous announcements are available at:

<https://sngold.com.au/investors/asx-announcements/>





## Blackhawk Project, Nevada, USA

During the December quarter SNX hosted site visits and had advanced discussions with several third parties regarding the entering into a Joint Venture (JV) to further exploration on the large-scale porphyry system. These discussions are ongoing.

### Blackhawk Exploration Context

For further background on the exploration context, SNX's previous announcements are available at:  
<https://sngold.com.au/investors/asx-announcements/>

## Exploration activities for the quarter

During the quarter, SNX undertook the exploration activities outlined above. During the quarter ended 31 December 2023, SNX's cash expenditure on exploration activities was approximately US\$271K.

## CORPORATE

### Rights Offer Shortfall Placement

In November, SNX advised it completed the placement of 2,966,038 shortfall CHESS Depository Interests (CDIs) at A\$0.08 per CDI raising A\$237,283 in respect to its non-renounceable rights issue to securityholders which closed on 24 August 2023. In total, A\$1,501,434 was raised in respect to the non-renounceable rights offer which was announced on 26 July 2023.

Following completion of allotment of these CDIs, the Company had on issue:

- 75,249,926 CDIs
- 1,782,210 unlisted options and
- 3,156,306 unlisted performance shares.

### 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.

	<b>Use of funds estimate (per Prospectus) A\$</b>	<b>Cash payments to 31 December 2023 A\$*</b>
Exploration expenditure	7,685,000	8,128,237
Project payments and claim fees	640,000	590,914
General administration and working capital	521,000	1,505,453
Estimated expenses of the offer	1,154,000	416,913
<b>Totals</b>	<b>10,000,000</b>	<b>10,641,516</b>

\* - 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 rates, with the latter contributing to higher than expected A\$ amounts for expenditure incurred in US\$ following conversion to A\$ values. 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, as noted above. 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 4. 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 SNX.

**For more information, please contact:**

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

Quarter ended ("current quarter")

653575618

31 December 2023

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs		
	(e) administration and corporate costs	(121)	(750)
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) – refund of prepaid costs	200	200
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>79</b>	<b>(550)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(271)	(1,992)
	(e) investments	-	-
	(f) other non-current assets	-	-



**Appendix 5B**

**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)	5	5
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(266)</b>	<b>(1,987)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	161	976
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	(56)	(56)
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	(11)	(38)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>94</b>	<b>882</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	975	2,576
4.2	Net cash from / (used in) operating activities (item 1.9 above)	79	(550)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(266)	(1,987)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	94	882
4.5	Effect of movement in exchange rates on cash held	17	(22)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>899</b>	<b>899</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter US\$'000</b>	<b>Previous quarter US\$'000</b>
5.1	Bank balances	899	975
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>899</b>	<b>975</b>

6.	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter US\$'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	36
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end US\$'000</b>	<b>Amount drawn at quarter end US\$'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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)	79
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(271)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(192)
8.4	Cash and cash equivalents at quarter end (item 4.6)	899
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	899
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.68
<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?	
	Answer: N/A	
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?	
	Answer: N/A	
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?	
	Answer: N/A	
<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: 24 January 2024

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.



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

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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.