

04 APRIL 2024

Pro-Rata Non-Renounceable Entitlement Offer (Rights Issue)

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Southern Cross Gold Limited (ASX: SXG) (SXG or the Company) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (Act).

SXG proposes conducting a pro-rata non-renounceable entitlement offer of one (1) new ordinary SXG share (New Share) for every thirty-three (33) ordinary SXG shares (Shares) held (1:33) by shareholders with a registered address in Australia, New Zealand, Germany, Switzerland, Hong Kong, the United Kingdom, Thailand or who are Canadian “accredited investors” with registered addresses in the Provinces of Alberta, British Columbia or Ontario at 7:00pm (Melbourne time) on Tuesday 9 April 2024 (being Eligible Shareholders) at an issue price of \$1.82 (One dollar and eighty two cents) per New Share to raise approximately \$10.23 million before costs (Offer). Any New Shares not taken up by Eligible Shareholders will form part of the Shortfall. The Offer is fully underwritten.

SXG gives notice under section 708AA(2)(f) of the Act as follows:

- (a) the New Shares under the Offer will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, SXG has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act, that is required to be set out in this notice under section 708AA(7) of the Act; and
- (e) the potential effect of the issue of New Shares under the Offer (and any shortfall of New Shares under the Offer) on the control of SXG and the consequences of that effect will depend on a number of factors, including but not limited to the extent Eligible Shareholders take up their entitlements, and/or participate in the Shortfall. Further details are set out below.

The potential effect of the Offer on the control of SXG (based on the issued share capital of SXG as at the date of this notice and noting that the Offer is fully underwritten) is summarised below:

- (a) Eligible Shareholders who take up their full entitlement to New Shares under the Offer will not be diluted as a result of the issue of New Shares under the Offer;

SOUTHERN CROSS GOLD LTD

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ABN: 70 652 166 795
ASX Code: SXG
Issued Capital: 185.5M fully paid shares

- (b) If all Eligible Shareholders take up their entitlements to New Shares under the Offer, then the percentage interest in the issued capital of the Company of all Eligible Shareholders will remain the same as at the Record Date;
- (c) Any Eligible Shareholder who does not take up their entitlement to New Shares under the Offer in full will have their percentage interest in the issued capital of the Company diluted;
- (d) Eligible Shareholders who do not take up their entitlement to New Shares under the Offer at all will have their percentage interest in the Company diluted as a result of the issue of any New Shares under the Offer (including the issue of any New Shares from the Shortfall);
- (e) Any Eligible Shareholder who takes up their full entitlement to New Shares under the Offer and who subscribes for and receives New Shares from the Shortfall (if any) will increase their percentage interest in the issued capital of the Company;
- (f) Firelight Investments Ltd and Springtide Capital Pty Ltd (collectively the Underwriter) have agreed to underwrite the Offer in full, subject to the terms of an underwriting agreement that are summarised in the offer booklet for the Offer. These terms include that the Underwriter will receive a fee equal to 3% of the underwritten amount (being the total to be raised under the Offer), payable in fully paid ordinary shares at \$1.82 per share (168,674 Shares in total). If no Eligible Shareholder takes up their entitlement under the Offer such that the entire amount of the Offer is subscribed for by the Underwriter, then the Underwriter would acquire a maximum relevant interest of 6.72% (noting that, at the date of this notice, Firelight Investment Ltd has a relevant interest of approximately 1.36% and Springtide Capital Pty Ltd has a relevant interest of approximately 2.45%).
- (g) The largest shareholder of the Company is Mawson Gold Limited (Mawson), which has a relevant interest in 93,750,000 Shares (approximately 50.5% of existing issued Shares prior to the Offer) at the date of this notice. Mawson has held the same number of Shares (and accordingly had the same relevant interest in the issued capital of the Company) for more than the last 6 months from the date of this notice. Mawson has committed to the Company that it intends to take up its full entitlement to New Shares under the Offer and will not apply for any New Shares from the Shortfall. For indicative purposes, if Mawson takes up its full entitlement to New Shares under the Offer and no other New Shares were issued under the Offer (including under the Shortfall), the relevant interest of Mawson would increase by 0.8% to a maximum of 51.3%. It is however anticipated by the Company that the relevant interest of Mawson will not change as a result of the Offer, which is fully underwritten;
- (h) At the date of this notice, the Company does not have any substantial (5%+) shareholders other than Mawson;
- (i) The allocation process for New Shares under the Shortfall will be set out in the offer booklet for the Offer. The Company will not allocate New Shares from the Shortfall if such allocation would contravene the takeover provisions of the Act or other applicable law; and
- (j) On completion of the Offer, no shareholder of the Company other than Mawson will hold a relevant interest in 20% or more of the issued voting shares of the Company.

Other than as noted above, the Offer is not expected to materially affect the control of the Company.

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.



Signed for and on behalf of the Board.

A handwritten signature in black ink, appearing to read "M. Hudson".

**Michael Hudson
Managing Director**

- Ends -

This announcement has been approved for release by the Board of Southern Cross Gold Ltd.

For further information, please contact:

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Nicholas Mead, Corporate Development, nm@southerncrossgold.com.au, +61 415 153 122