



SOUTHERN CROSS GOLD LIMITED
[ABN 70 652 166 795]
(“THE COMPANY”)

RIGHTS ISSUE OFFER BOOKLET

A non-renounceable pro rata rights issue offer of one (1) fully paid ordinary new share (**New Share**) for every thirty-three (33) fully paid ordinary shares (**Shares**) held by shareholders of the Company 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 the Record Date (being the date set out in the timetable on page 3 of this Offer Booklet) (**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**).

The Offer is fully underwritten by Firelight Investments Ltd and Springtide Capital Pty Ltd (collectively the **Underwriter**).

This booklet (**Offer Booklet**) is an important document and requires your immediate attention. It should be read carefully and in its entirety before deciding to accept the Offer. If you do not understand the contents of this Offer Booklet, you should consult your stockbroker, accountant or other professional adviser.

The New Shares offered under this Offer Booklet are considered highly speculative

IMPORTANT NOTICES

This Offer Booklet is dated 4 April 2024. Capitalised terms in these important notices have the meaning given to them in this Offer Booklet.

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act. This Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet is an important document and should be read in its entirety before deciding to participate in the Offer. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for New Shares in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Offer set out in detail in this Offer Booklet.

Offer jurisdictions

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the New Shares, or otherwise permit the public offering of the New Shares, outside Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and seek your own advice on such restrictions. Non-compliance with restrictions may contravene applicable securities laws. The Company reserves the right (at its discretion) to accept an Entitlement and Acceptance Form from a shareholder if it is satisfied that the making and acceptance of the Entitlement and Acceptance Form complies with the requirements of the relevant jurisdiction.

The Offer may be made to and accepted by Eligible Shareholders resident in certain jurisdictions outside Australia. Further details and applicable requirements are set out in Section 8.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer not contained in this Offer Booklet. Any information or representation in connection with the Offer that is not contained in this Offer Booklet may not be relied upon as having been authorised by SXG or any of its officers.

Risks

Investors should consider an investment in the New Shares and SXG generally is speculative. Refer to Section 5 for a summary of general and specific risk factors that may affect SXG.

Monetary amounts

Except where otherwise stated, all monetary amounts in this Offer Booklet are in Australian dollars (AUD) unless otherwise stated

Dates and times

All dates and times in this Offer Booklet are dates and times in Melbourne, Victoria, Australia unless otherwise stated.

Announcements

The Company makes announcements to ASX from time to time which can be obtained from the Company's announcements page on the ASX website www2.asx.com.au, search code "SXG".

SUMMARY OF THE OFFER

Capitalised terms in this summary of the Offer have the meaning given to them in this Offer Booklet.

KEY INVESTMENT DETAILS

New Share issue price	\$1.82 (one dollar and eighty-two cents)
Ratio of entitlement to New Shares	One (1) New Share for every thirty-three (33) shares held at the Record Date (1:33 basis)
Existing Shares on issue	185,540,623
New Shares under the Offer (subject to rounding)	5,622,444
Shares to be issued to the Underwriter (refer Section 1.4)	168,674
Amount to be raised under the Offer (before costs)	Approximately \$10.23 million (maximum)

KEY DATES

Release of Appendix 3B for the Offer Release of section 708AA cleansing notice Announcement of the Offer Booklet to ASX	4 April 2024
Ex-Date	8 April 2024
Record Date for identifying Eligible Shareholders (7.00pm Melbourne time)	9 April 2024
SXG sends Offer Booklet and personalised entitlement and acceptance forms to Eligible Shareholders and announces this has occurred Offer opening date	12 April 2024
Last day to extend the Closing Date (before noon (Melbourne time))	30 April 2024
Closing Date (5.00pm Melbourne time)	3 May 2024
Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market open	6 May 2024
Last day for SXG to announce results of the Offer, issue New Shares taken up under the Offer and to lodge an Appendix 2A with ASX to notify ASX of the issue of New Shares and apply for their quotation (before noon (Melbourne time))	9 May 2024

The dates above are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, SXG reserves the right to amend this indicative timetable by making an announcement to ASX. In particular SXG reserves the right to extend the Closing Date or withdraw the offer without notice by making an announcement to ASX. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of New Shares under the Offer.

USE OF FUNDS

Funds raised under the Offer will be applied to the Company's exploration expenditure, with a focus on the Sunday Creek Project located in Victoria, Australia and for general working capital (including meeting the costs of the Offer). Further details of the proposed use of funds and financial impact of the Offer on the Company is set out in Section 2.

CAPITAL STRUCTURE

The share capital of the Company following completion of the Offer is described below:

	Number	%
Existing Shares	185,540,623	96.97%
New Shares under the Offer (subject to rounding)	5,622,444	2.94%
Shares to be issued to the Underwriter (refer Section 1.4)	168,674	0.09%
Total Shares following completion of the Offer	191,331,741	100%

The table assumes that the Offer is fully subscribed, noting that the Underwriter has agreed to fully underwrite the Offer. A summary of the material terms of the Underwriting Agreement is set out in Section 1.4.

No convertible securities are being issued under the Offer. Details of the convertible securities currently on issue in, or proposed to be issued by, the Company are set out in detail in Section 3.1.

RISKS

Section 5 of this Offer Booklet contains a summary of some of the key risks associated with an investment in the Company, including:

- Risks associated with the Offer; and
- Risks associated with the business and operations of the Company; and
- Risks of a more general nature, such as economic and market conditions.

You should read Section 5 of this Offer Booklet carefully before deciding to apply for New Shares.

1. DETAILS OF THE OFFER

1.1 The Offer

Southern Cross Gold Limited [ABN 70 652 166 795] (**SXG** or **the Company**) is making a non-renounceable pro-rata rights issue offer of one (1) fully paid ordinary share (**New Share**) for every thirty-three (33) fully paid ordinary shares (**Shares**) held by shareholders of the Company with addresses in the Company's register of members ("registered addresses") 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 the Record Date (being the date set out in the timetable on page 3 of this Offer Booklet) (**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 fractional entitlements to New Shares will be rounded up.

The Offer is non-renounceable and rights to entitlements are not able to be traded or transferred and, accordingly, there is no ability to trade rights on ASX. New Shares will be fully paid ordinary shares in the capital of SXG ranking equally in all respects with the existing Shares from the date of their issue.

The Offer is fully underwritten by Firelight Investments Ltd and Springtide Capital Pty Ltd (collectively the **Underwriter**). A summary of the **Underwriting Agreement** between the Company and the Underwriter is set out in Section 1.4.

New Shares not taken up by Eligible Shareholders will form the shortfall (**Shortfall**). The Shortfall is to be allocated in accordance with Section 1.3.

The Offer is being made under section 708AA of the Corporations Act. This Offer Booklet is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

1.2 Timetable

The indicative timetable for the conduct of the Offer is set out in the table below:

Release of Appendix 3B for the Offer Release of section 708AA cleansing notice Announcement of the Offer Booklet to ASX	4 April 2024
Ex-Date	8 April 2024
Record Date for identifying Eligible Shareholders (7.00pm Melbourne time)	9 April 2024
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Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market open	6 May 2024
Last day for SXG to announce results of the Offer, issue New Shares taken up under the Offer and to lodge an Appendix 2A with ASX to notify ASX of the issue of New Shares and apply for their quotation (before noon (Melbourne time))	9 May 2024

The dates above are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, SXG reserves the right to amend this indicative timetable by making an announcement to ASX. In particular SXG reserves the right to extend the Closing Date or withdraw the offer without notice by making an announcement to ASX. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of New Shares under the Offer.

1.3 Shortfall

New Shares under the Offer not taken up by Eligible Shareholders will form the shortfall of the Offer (**Shortfall**).

If you are an Eligible Shareholder and you apply for your full entitlement to New Shares under the Offer, you may also apply for more New Shares than the number shown in your Entitlement and Acceptance Form unless you are otherwise excluded from applying for and receiving New Shares from the Shortfall (for example, under the requirements of the Listing Rules). The application for more New Shares than the number shown in your Entitlement and Acceptance Form is an application for New Shares from the Shortfall. To apply for New Shares from the Shortfall, please complete the relevant section in your Entitlement and Acceptance Form (as required) and make payment of the full amount of your application for New Shares (including for the number of additional New Shares from the Shortfall applied for multiplied by \$1.82). Please note that you will only be able to apply for New Shares from the Shortfall if you take up your full entitlement under the Offer.

The issue of New Shares from the Shortfall in response to applications from Eligible Shareholders will depend on there being sufficient New Shares forming the Shortfall. If the Offer is oversubscribed (by Eligible Shareholders taking up their entitlements to New Shares and applications for New Shares from the Shortfall), applications for New Shares under the Shortfall from Eligible Shareholders will be scaled back at the discretion of the Board having regard to a number of factors, including the shareholding at the Record Date of the Eligible Shareholder subscribing for New Shares from the Shortfall, the potential impact on control of the Company as a result of the allocation of New Shares from the Shortfall and the requirements of applicable law including the ASX Listing Rules and the Corporations Act. There is no guarantee that Eligible Shareholders who apply for New Shares from the Shortfall will receive the number of New Shares applied for under the Shortfall.

If there remains a balance of New Shares under the Shortfall after the subscriptions for New Shares by Eligible Shareholders under the Offer and applications by Eligible Shareholders for New Shares from the Shortfall, each Eligible Shareholder shall receive all New Shares applied for under the Shortfall in full with any remaining New Shares from the Shortfall following allocation to Eligible Shareholders to be allocated by the Company.

The Company reserves the right to offer and issue New Shares from the Shortfall at its discretion within three (3) months after the Closing Date. The Company (in consultation with the Underwriter) may seek to place the remaining New Shares from the Shortfall during that period with unrelated professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act who are invited to subscribe. The Company may engage one or more third party brokers to assist in placement of the remaining New Shares forming the Shortfall and may pay a fee in respect of New Shares from the remaining Shortfall that are placed by a broker or brokers with unrelated investors.

No shareholder or investor will be allocated New Shares from the Shortfall if the Company believes that may result in a breach of the Corporations Act, the Listing Rules or other applicable law. In particular, without limitation, Directors, other related parties of the Company, holders of relevant interests in 30% or more of the Company's issued shares (or in 10% or more of the Company's issued shares if the holder has nominated a director pursuant to a relevant agreement giving a right or expectation to do so) at any time in the past 6 months or up to the date of the issue of the New Shares, and any of their associates or other persons designated by ASX under Listing Rule 10.11, and any person who may increase a relevant interest to above 20% or increase a relevant interest already above 20% by an amount or in a manner not permitted by the Corporations Act are excluded from applying for or receiving New Shares from the Shortfall (unless applicable shareholder and/or regulatory approvals are obtained, noting that the Company has not indicated that it will, and is not obligated to, seek or obtain such approvals).

1.4 Underwriting Agreement

The material terms of the Underwriting Agreement are summarised below:

- The Company has appointed Firelight Investments Ltd and Springtide Capital Pty Ltd (collectively the **Underwriter**) to fully underwrite the Offer.
- The Underwriter is proposed to receive an aggregate fee of \$306,986, being equal to 3% of the amount to be raised under the Offer. This fee is payable by the Company in Shares at a deemed issue price of \$1.82 per Share (168,674 Shares in total), being the same price per New Share under the Offer. These Shares are to be issued to the Underwriter (and/or their respective nominee(s)) upon completion of the underwriting under the placement capacity available to the Company under Listing Rule 7.1.

- The Company shall reimburse all direct costs and reasonable expenses incurred by the Underwriter that are associated with underwriting the Offer, subject to the Company providing its prior written consent.
- The Underwriter has the right to terminate the Underwriting Agreement in a range of circumstances as described below. Capitalised terms below not otherwise defined in this Offer Booklet are as defined in the Underwriting Agreement:
 - the Ordinaries Index Number or the Dow Jones Industrial Average is at any time more than 10% below its level as at the close of business on the Business Day immediately preceding the date of this Agreement;
 - the spot price of gold (published as Gold-LBMA-AM or Gold-LBMA-PM) falls below the lesser of USD\$1950 or 10% from the spot price of gold (Gold-LBMA-PM) on the Business Day immediately preceding the date of this Agreement;
 - the Company makes default under or is in breach of any of its material obligations under this Agreement and following consultation between the Company and the Underwriter, that failure is not remedied within 5 Business Days afterwards;
 - any warranty or representation by the Company in this Agreement ceases to be true in any material respect and, following consultation between the Company and the Underwriter, the matters rendering the warranty untrue are not remedied within 5 Business Days afterwards;
 - any material adverse change occurs in the financial position of the Company;
 - any director or Officer of the Company named in the Offer Booklet dies or is charged with or convicted of an indictable offence;
 - any material statement in the Offer Booklet is found to be or becomes misleading or deceptive or there is found to be a material omission from the Offer Booklet of material required by section 708AA of the Corporations Act;
 - the adoption or announcement by or on the authority of the government of the Commonwealth of Australia of:
 - any future change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in stocks and shares in Australia including but not limited to any change which is likely to materially and adversely affect interest rates not already announced or anticipated as at the date of this Agreement; or
 - any law or prospective law or other measure having the effect of restraining capital issues, corporate profits or foreign investment,and which, in either case, would materially and adversely affect the Offer;
 - any person who has previously consented to the inclusion of its, his or her name in the Offer Booklet or to be named in the Offer Booklet, withdraws that consent;
 - any material information supplied at any time by the Company (or any person on its behalf) to the Underwriter in respect of any aspect of the Offer was false or misleading;
 - any material contravention by the Company or an Officer of any of them of any provision of the Corporations Act, or the Listing Rules or any requirement of ASX or the ASIC or any governmental agency;
 - a resolution is passed or an order made by a Court of competent jurisdiction for the winding up of the Company, other than an order for the purpose of reconstruction or amalgamation made with the prior consent of the Underwriter;
 - a receiver or receiver and manager is appointed to all or any part of the assets or undertaking of the Company;

- the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intentions to do so;
 - the Company suspends payments of its debts or is unable to pay its debts within the meaning of the Corporations Act;
 - the Company is placed under external administration or an external administrator is appointed;
 - a provisional liquidator is appointed to the Company;
 - the Company fails to furnish a certificate in accordance with the requirements of the Underwriting Agreement; or
 - there is an outbreak of hostilities (whether or not war has been declared) not presently existing or a major escalation in existing hostilities occurs involving any one or more of the Commonwealth of Australia, the United States of America, any former Republic of the USSR, a member state of the European Union, the Peoples Republic of China, Taiwan, Japan, Indonesia, Iran or Iraq.
- The Company provides a wide-ranging indemnity to the Underwriter (and any officer, employee, consultant, agent or advisor of the Underwriter or any sub-underwriters appointed by the Underwriter) in a range of circumstances, including but not limited to breach by the Company of the Underwriting Agreement. The indemnity is subject to typical limitations including but not limited to that the Company does not provide an indemnity to the extent that the Underwriter (and/or any officer, employee, consultant, agent or advisor of the Underwriter or any sub-underwriters appointed by the Underwriter) is responsible for the breach.
 - The Underwriting Agreement otherwise contains terms typical for arrangements of this nature.

2. USE OF FUNDS AND FINANCIAL IMPACT OF THE OFFER

2.1 Use of funds

As noted in Section 1.1 and on the basis that the underwriting proceeds, the Offer will raise approximately \$10.23 million before costs. Funds raised under the Offer will be applied to the Company's exploration expenditure, with a focus on the Sunday Creek Project located in Victoria, Australia and for general working capital (including meeting the costs of the Offer).

2.2 Costs of the Offer

The anticipated indicative costs of the Offer are set out in the table below:

Particulars	Amount (\$)
Legal, printing and postage	\$60,000
Regulatory (quotation) fees *	\$30,000
TOTAL	\$90,000

* Assumes the Offer is fully subscribed and that 5,622,444 New Shares are issued and quoted.

As noted in Section 1.4, the fee payable to the Underwriter comprises \$306,985 (representing 3% of \$10,232,848, being the amount to be raised under the Offer) payable by the Company in Shares at a deemed price per Share of \$1.82 (being the same price of New Shares under the Offer).

2.3 Financial impact of the Offer

Noting that the Offer is fully underwritten, the Offer will increase the cash reserves of the Company by approximately \$9.33 million, being the maximum amount to be raised under the Offer of approximately \$10.23 million less the anticipated indicative costs of the Offer of \$90,000 as described in Section 2.2.

The Offer is not anticipated to impact the financial position of SXG other than as set out in Section 2.

3. CAPITAL STRUCTURE AND EFFECT ON CONTROL

3.1 Capital structure

Shares

The table below sets out the existing Share capital of the Company and the effect that the Offer (including the proposed issue of Shares to the Underwriter as described in Section 1.4) will have on the share capital of the Company. The Share capital of the Company following completion of the Offer is described below:

	Number	% *
Existing Shares (subject to rounding)	185,540,623	96.97%
New Shares under the Offer	5,622,444	2.94%
Shares to the Underwriter (refer Section 1.4)	168,674	0.09%
Total Shares following completion of the Offer	191,331,741	100%

** All percentages are subject to rounding*

The table assumes that the Offer is fully subscribed, noting that the Underwriter has agreed to fully underwrite the Offer. A summary of the material terms of the Underwriting Agreement is set out in Section 1.4.

Options

The Company has the following options on issue, sorted by expiry date. All options are unlisted:

Number	Exercise Price	Expiry Date
2,783,333	\$0.30 (30 cents)	5 May 2025
6,500,000	\$0.30 (30 cents)	16 May 2025
1,500,000	\$0.87 (87 cents)	28 November 2025
2,783,333	\$0.30 (30 cents)	5 May 2026
2,000,000	\$0.66 (66 cents)	15 August 2026
1,500,000	\$1.20 (1 dollar and 20 cents)	23 October 2026
3,550,000	\$1.20 (1 dollar and 20 cents)	7 November 2026
2,783,333	\$0.30 (30 cents)	5 May 2027
23,399,999	-	-

The terms of some of the options on issue may provide for an adjustment to the exercise price according to the formula in ASX Listing Rule 6.22.2. The exercise price adjustment will take effect upon issue of the New Shares under the Offer and, in the event there is an adjustment to the exercise price of options the Company will notify ASX of the change in accordance with ASX Listing Rule 3.11.2.

Except as described above, at the date of this Offer Booklet the Company does not have any other convertible securities on issue and does not propose issuing any further convertible securities. No convertible securities are being issued under the Offer and accordingly, the Offer will not impact the number of convertible securities.

3.2 Dilutive impact on control

The potential effect of issue of the New Shares under the Offer will have on control of the Company is as follows:

- (a) if all Eligible Shareholders take up their full entitlements to New Shares under the Offer, the Offer will not have a material effect on the control of the Company as all Eligible Shareholders will maintain their respective percentage shareholdings in the Company.
- (b) If an Eligible Shareholder takes up their entitlement for New Shares in full and applies for and receives New Shares from the Shortfall then their percentage shareholding in the Company will increase.
- (c) If an Eligible Shareholder takes up some, but not all, of their entitlement to New Shares under the Offer then the percentage shareholding of that Eligible Shareholder will decrease to the extent that the Eligible Shareholder does not take up their entitlement to New Shares under the Offer.
- (d) to the extent that an Eligible Shareholder does not take up any of their entitlement to New Shares under the Offer, that Eligible Shareholder's percentage shareholding in the Company will be diluted as a result of the issue of New Shares under the Offer.

The above potential effects assume that the Offer is fully subscribed (noting the Offer is fully underwritten).

If no Eligible Shareholder take up their entitlement to New Shares under the Offer such that the entire Offer is subscribed for by the Underwriter, the Underwriter would acquire a maximum relevant interest of 6.72% (noting that, at the date of this Offer Booklet, Firelight Investment Ltd has a relevant interest of approximately 1.36% and Springtide Capital Pty Ltd has a relevant interest of approximately 2.45%).

All shareholders will be diluted as a result of the issue of Shares to the Underwriter as described in Section 1.4.

Other than Mawson Gold Limited (**Mawson**), which currently holds approximately 50.5% of the issued voting Shares of the Company, no other person will by acceptance of their entitlement, nor will any person through acceptance of New Shares from the Shortfall be permitted to, acquire or increase a relevant interest in more than 20% of the issued voting Shares of the Company, and as a result the Offer will not have a material effect on control of the Company. Further details with respect to Mawson are set out in Section 3.3.

Indicative examples of the potential impact of dilution on existing holders where a shareholder does not take up its entitlement under the Offer and the Offer is fully subscribed are set out in the table below:

Shareholder (example)	Holding at the Record Date	% at the Record Date	1 for 33 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (191,331,741 Shares)
A	2,500,000	1.35%	75,758	2,500,000	1.31%
B	5,000,000	2.69%	151,516	5,000,000	2.61%
C	7,500,000	4.04%	227,273	7,500,000	3.92%
D	10,000,000	5.39%	303,031	10,000,000	5.23%
E	12,500,000	6.74%	378,788	12,500,000	6.53%
F	15,000,000	8.08%	454,546	15,000,000	7.84%

Notes to table:

- (1) All percentages are subject to rounding.
- (2) The table takes into account the issue of 168,674 Shares to the Underwriter (and/or their nominee(s)) as described in Section 1.4.
- (3) The notional Shareholders in the examples above do not acquire or dispose of shares and no options are converted into ordinary shares.
- (4) The table assumes that no convertible securities convert to ordinary shares.

3.3 Substantial shareholder

As at the date of this Offer Booklet, the Company has one substantial shareholder, Mawson, which has a relevant interest in 93,750,000 Shares (approximately 50.5% of existing issued Shares prior to the Offer). 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 6 months prior to the date of this Offer Booklet.

Mawson has advised the Company that Mawson intends to subscribe for and acquire its full entitlement to New Shares under the Offer and that Mawson will not apply for any additional New Shares from the Shortfall.

For indicative purposes only, if Mawson subscribes for and acquires its full entitlement to New Shares and no other New Shares are issued under the Offer (including New Shares under the Shortfall), the relevant interest of Mawson would increase by approximately 0.8% to a maximum of 51.3%.

3.4 Director interests

The following tables set out the direct and indirect interests of the directors of the Company (**Directors**) at the date of this Offer Booklet. For indicative purposes, the below tables have been prepared for illustrative purposes to show the interests of the Directors if they take up their entitlement to New Shares under the Offer **or** if they do not take up their entitlement to New Shares under the Offer.

The below table assumes that the Directors **take up** their entitlement to New Shares under the Offer in full:

Name	Holding at the Record Date	% at the Record Date*	1 for 33 entitlement under the Offer	Holding if entitlement taken up	As % of total Shares on issue after the Offer (191,331,741 Shares)
Ernest Thomas (Tom) Eadie	601,725	0.32%	18,235	619,960	0.32%
Michael Hudson	614,225	0.33%	18,613	632,838	0.33%
Georgina Carnegie	284,483	0.15%	8,620	293,103	0.15%
David Henstridge	464,225	0.25%	14,068	478,293	0.25%
TOTAL	1,964,658	1.05%	59,536	2,024,194	1.05%

All of the Directors have indicated to the Company that they intend to take up their entitlement to New Shares under the Offer as described below in full.

The below table assumes that the Directors **do not take up** their entitlement under the Offer:

Name	Holding at the Record Date	% at the Record Date*	1 for 33 entitlement under the Offer	Holding if entitlement <u>not</u> taken up	As % of total Shares on issue after the Offer (191,331,741 Shares)
Ernest Thomas (Tom) Eadie	601,725	0.32%	18,235	601,725	0.31%
Michael Hudson	614,225	0.33%	18,613	614,225	0.32%
Georgina Carnegie	284,483	0.15%	8,620	284,483	0.15%
David Henstridge	464,225	0.25%	14,068	464,225	0.24%
TOTAL	1,964,658	1.05%	59,536	1,964,658	1.02%

Notes to tables:

- (1) Percentages are subject to rounding.
- (2) The tables take into account the issue of 168,674 Shares to the Underwriter (and/or their nominee(s)) as described in Section 1.4.
- (3) The tables assume that no convertible securities convert to ordinary shares.
- (4) The Directors and their associates will not be able to apply for and receive New Shares under the Shortfall other than with prior shareholder approval.

4. APPLICATION PROCESS

4.1 Entitlements and Acceptances

Your entitlement is shown on your personalised Entitlement and Acceptance Form. You may accept the Offer:

- (a) if you have a registered address in Australia, by making payment by BPAY¹ in accordance with the instructions on your personalised Entitlement and Acceptance Form; or
- (b) if you have a registered address in Australia and are unable to make payment via BPAY or if you are an Eligible Shareholder with a registered address in a country outside Australia, by making payment by Electronic Funds Transfer (EFT) in accordance with the instructions on the applicable Entitlement and Acceptance Form.

The Company will accept payments and (where applicable) returned Entitlement and Acceptance Forms until 5.00pm (Melbourne time) on the Closing Date (including as extended, if applicable) or such other time and/or date as the Directors in their absolute discretion may determine, subject to the requirements of the Corporations Act and the ASX Listing Rules.

4.2 Applying for New Shares from the Shortfall

Details regarding the potential allocation of the New Shares from the Shortfall is set out in Section 1.3.

In addition to being able to accept your pro rata entitlement as shown on your personalised Entitlement and Acceptance Form, if you accept and pay the application monies for your entire pro rata entitlement you may also apply for additional New Shares from the Shortfall (if any) unless you are excluded from applying for Shortfall shares as provided for in Section 1.3.

Instructions for applying for additional shares are set out below and in or accompanying your personalised Entitlement and Acceptance Form. Applications for New Shares from the Shortfall must be received by 5.00pm (Melbourne time) on the Closing Date (including as extended, if applicable) or such other date as the Directors in their absolute discretion may determine, subject to the requirements of the Corporations Act and the ASX Listing Rules. You may only make an application for New Shares from the Shortfall if you accept your full pro rata entitlement to New Shares under the Offer.

As noted in Section 1.3, the Company in consultation with the Underwriter may seek to place the remaining Shortfall after applications for Shortfall from Eligible Shareholders with professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act who are invited to subscribe for New Shares from the Shortfall.

New Shares under the Shortfall will only be issued if the entitlements under the Offer are not taken up in full. If the Company receives valid applications for New Shares under the Shortfall that would result in the Offer being oversubscribed, the Company will scale back applications as set out in Section 1.3.

In the event an application for New Shares under the Shortfall is not accepted, including because of a scale back as set out in Section 1.3, the application monies received for an unsuccessful application for New Shares under the Shortfall (or the applicable portion if the application is partly successful) will be refunded to the applicant, without interest, by way of bank transfer where the share registry holds bank account details and otherwise by way of a cheque being sent to the registered address of the applicant as soon as practicable.

Further details regarding the Shortfall including the allocation policy of the Company are set out in Section 1.3. The Offer is fully underwritten by the Underwriter. Further details of the underwriting are set out in Section 1.4.

4.3 Paying by BPAY

If paying by BPAY, you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the

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amount you wish to pay by BPAY does not exceed your limit. The Company and its share registry accept no responsibility for unsuccessful, delayed or incomplete BPAY payments.

If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the BPAY customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be treated as an application for additional New Shares from the Shortfall.

4.4 *Paying by EFT or other methods*

For Eligible Shareholders whose holdings are registered in Australia that are unable to make payment via BPAY or for Eligible Shareholders whose holdings are registered in a country outside Australia, pay your application money via EFT by following the instructions set out in or accompanying the personalised Entitlement and Acceptance Form.

You can only make a payment via EFT if you hold an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (a) you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your application money.

If paying by EFT, you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via EFT. It is your responsibility to check that the amount you wish to pay by EFT does not exceed your limit. The Company and its share registry accept no responsibility for unsuccessful, delayed or incomplete EFT payments.

If you have multiple holdings you will have multiple personalised EFT reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the personalised EFT reference number provided for the applicable holding when paying for any New Shares that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be treated as an application for additional New Shares from the Shortfall.

Please note that your bank and the receiving bank may apply fees or charges to transfer and conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by the Company. Unless otherwise agreed by the Company in writing, payments made in another currency will be treated as a payment of the amount actually received as Australian dollars in the bank account of the Company or its registry. The Company and its registry accept no responsibility for delays, fees or charges, or foreign exchange impacts.

4.5 *General*

The Entitlement and Acceptance Form does not need to be signed and returned (other than the combined form for Canadian Shareholders – see Section 8). If an Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Methods of payment other than BPay or EFT may only be used with the express, prior written agreement of the Company, which may be subject to conditions in addition to the above.

The amount payable on acceptance or application will be deemed not to have been received until the Company is in receipt of cleared funds (in Australian currency, unless otherwise agreed by the Company in writing). The Company may reject an acceptance or application where payment of the applicable amount is not received, or without prejudice to its rights, issue New Shares in response to the acceptance or application and recover the outstanding amount from the recipient.

5 RISKS

The Company's activities, as in any business, are subject to risks which may impact the Company's future performance. The following is a summary of the more material matters to be considered and should be read in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements. The summary below is not exhaustive, but rather represents some of the major risk factors which you need to be aware of in evaluating the Company's business and the risks of increasing your investment in the Company.

5.1 *Risks associated with the Offer*

Underwriting risk

The Underwriting Agreement is subject to various termination provisions, some of which are outside of the control of the Company. The termination rights of the Underwriter pursuant to the Underwriting Agreement form part of the summary of the material terms of the Underwriting Agreement set out in Section 1.4. There is a risk that the Underwriter may terminate the Underwriting Agreement, which may include termination of the Underwriting Agreement due to the occurrence of an event over which the Company has no control.

Value of New Shares and share market conditions

The market price of the Company's securities is subject to varied and unpredictable influences on the market for equities in general. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company. The price of Shares (including, following issue, New Shares) may fall as well as rise and no guarantee is given that the price of Shares (including New Shares) will increase.

Liquidity

There can be no assurance there will be, or continue to be, an active market for the Shares (including, following issue, New Shares) or that the price of Shares (including, following issue, New Shares) will increase.

Dilution

The issue of New Shares will result in holders who do not take up their entitlements to New Shares under the Offer being diluted. The potential dilutive impact of the Offer for a holder who does not take up their entitlement will vary depending on the level of subscriptions for New Shares under the Offer (including the Shortfall). Indicative illustrative examples of the potential dilutive impact of the Offer are set out in Section 3.2.

Taxation consequences

The issue of New Shares may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before applying for New Shares.

5.2 *Specific Risks*

Exploration risk

The Company's projects are at various stages of exploration, and investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

In addition, the tenements forming the projects of the Company may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities. Further details of these potential restrictions are set out under "Regulatory Risk" below. While the Company will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Company will be able to satisfy such conditions on commercially viable terms, or at all.

Regulatory risk

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or whether the Company will be able to meet the conditions of renewal on commercially reasonable terms, if at all.

The Company may also be required to obtain access and other approval or authorisations from regulatory and/or other entities, including under applicable native title legislation. Such approvals or authorisations may be complex and require the input of third parties. In addition, any future changes to legislation and regulation may impose obligations or restrictions on the Company which cannot be predicted.

The Company cannot guarantee that any or all requisite approvals and authorisations will be obtained. A failure to obtain any required regulatory approval or authorisation may mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.

Farm in and joint venture risk

The Company is party to farm-in arrangements in respect of its Redcastle and Whroo projects. These farm-in arrangements are subject to conditions and expenditure requirements for the Company to achieve certain percentage ownership of the relevant projects.

There is a risk that the Company will not meet the requirements (including in respect of expenditure) under the farm-in arrangements or that, even if such requirements are met, a commercially viable resource will not be located on the project. In addition, any joint venture arrangement will be subject to risks typically associated with arrangements of that kind, including but not limited to that either party may seek to terminate or withdraw from the arrangement or fail to meet their obligations thereunder.

There is also the potential for disputes in respect of the obligations of the parties to the joint venture.

Farm-in and joint venture arrangements are also subject to general third party risks as referred to below.

Mineral resources risk

In future, one or more resource estimates and/or exploration targets may be identified on the Company's projects. Mineral resource estimates and exploration targets are expressions of judgement by qualified individuals based on knowledge, experience and industry practice. There are inherent risks associated with such estimates, including that ore eventually recovered may be of a different grade, tonnage or strip ratio from those adopted in the model used. Estimates also depend to some extent on interpretations and geological assumptions which may ultimately prove to be unreliable. Fluctuations in commodity prices, costs and other market factors may subsequently alter a resource estimation. Accordingly, adverse changes to the assumptions underpinning mineral resource estimates or exploration targets may adversely impact upon the Company and its operations.

Operational risk

The operations of the Company may be affected by various factors including logistics, occupational health and safety, environmental management and compliance and failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will seek to mitigate these risks through management and supervision controls.

In addition, the operations of the Company may be affected by various factors which are beyond the control of the Company, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

The operations of the Company may also be affected by natural disasters, epidemics, terrorist attacks and other disasters which may materially and adversely affect the economy in Australia and the Company's business.

Development and production risks

Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited. If a discovery is not commercially viable, the financial position and prospects of the Company could be adversely affected and could potentially result in the Company scaling back activities.

The Company notes that development of one or more of its projects may require the Company to raise further capital. The Company does not intend to proceed with further development of its projects until the results from its planned exploration activities have been obtained and extensively analysed, and the ongoing activities of the Company are dependent in large part on the results of its planned exploration activities.

Change in strategy risk

The medium to long term plans and strategies of the Company may evolve over time due to review, analysis and assessment of results from its planned exploration activities. This is consistent with other entities conducting mineral exploration similar to the Company.

Accordingly, the plans and strategies of the Company as at the date of this Offer Booklet may not reflect the plans and strategies following review, analysis and assessment of results. Any such changes may have the potential to expose the Company to heightened or additional risks.

Any development of one or more of the projects of the Company up to and including commercial operations will expose the Company to further risks associated with such activities. Nothing in this Offer Booklet is to be taken to indicate that the Company will commence development of its projects or any one of them at a specific time, if at all.

In addition, as with most exploration entities, the Company may assess and pursue other new business opportunities in the resources sector over time which complement its business (which may take the form of joint ventures, farm-ins, acquisitions or some other form(s) of opportunities). In such cases the Company may, in pursuing such new opportunities, become subject to additional or heightened risks.

Environmental risks

The Company is subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties and the Company's social licence may be questioned in the event of certain discharges into the environment, environmental damage caused by previous occupiers or noncompliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

Climate change risk

As an entity engaged in mineral exploration activities, the Company anticipates it will be subject to climate change risks and in particular:

- The emergence of new or expanded regulations associated with transitioning to a lower carbon economy including market changes associated with climate change mitigation. The Company may be impacted by local and international compliance regulations, or specific taxes or penalties associated with carbon emissions or environmental damage. Given the uncertainty with respect to the future regulatory framework regarding climate change mitigation, the Company may be subject to further restrictions, conditions and risks. While the Company will seek to manage such risks as and when they arise, there can be no guarantee that the Company will be able to do so in a cost effective manner, if at all; and
- Climate change may cause physical and environmental risks that cannot be predicted, including extreme weather patterns and events that may directly or indirectly impact the operations of the Company and may significantly disrupt the industry in which the Company operates.

Litigation risks

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

Commodity price risks

Commodity prices, including gold, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

Future funding risks

The Company has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and development costs and pursuit of its business plan will use funds from the Company's current cash reserves and the amount raised under the Offer. As noted above, development of one or more of its projects may require the Company to raise capital in excess of funds proposed to be raised under the Offer.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or the price of New Shares under this Offer Booklet) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the existing shareholders will be diluted.

Risk that the Company's management and key personnel may discontinue their services

The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.

Payment of dividends

Payment of future dividends will depend on matters such as the future profitability and financial position of the Company and the other risk factors set out in this Section 5. There is no assurance that the Company will be in a position or determine to pay dividends in the future.

5.3 *General Risks*

Third party risk

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages a number of external contractors to provide exploration/drilling works.

Financial failure, default, contractual non-compliance and the conduct on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.

Insurance risk

The Company insures its operations in accordance with industry practice.

However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Metallurgical recoveries

When compared with many industrial and commercial operations, mining exploration projects are high risk. Each mineral deposit is unique and the nature of the mineralisation, the occurrence and grade, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling which represent a very small sample of the entire mineral deposit. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.

The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the mineral deposit as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.

Actions of competitors

The Company may face competition from other entities in the mineral exploration sector which may have significant advantages including greater name recognition, longer operating history, lower operating costs, pre-existing relationships with current or potential clients and greater financial, marketing and other resources.

Larger entities enjoy wider recognition and superior economies of scale. Any significant competition may adversely affect the Company's ability to meet its objectives.

Reliance on relationships and alliances

The Company has relationships with government, technical and advisory parties and other stakeholders in the industry. The Company's success, in part, depends upon continued successful relations with these parties.

The loss of one or more of these relationships or a change in the nature or terms of one or more of these relationships may have a material adverse impact on the financial position and prospects of the Company.

Stock market fluctuations

There are a number of risks associated with any stock market investment. The price of Shares may rise or fall in relation to the price per New Share under this Offer Booklet, and investors who decide to sell their Shares may not receive the full amount of their original investment. The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company and its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

Liquidity and realisation risk

There can be no assurance there will be, or continue to be, an active market for the Shares (including, following issue, New Shares) or that the price of Shares (including, following issue, New Shares) will increase. Furthermore, the market price for Shares may fall or be made more volatile because of a potentially low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of Shares.

Dependence on general economic conditions

The operating and financial performance of the Company will be influenced by a variety of general economic and business conditions. Any protracted downturn in Australia and world economic situation could be expected to have a material adverse effect on the Company's financial performance, financial position and cash flows.

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs and on gold prices. The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for gold as well as exchange rate movements.

Negative publicity

Any negative publicity or announcement relating to any the Company, the Company's substantial shareholders, key personnel or activities may adversely affect the share performance of the Company, whether or not this is justifiable.

5.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the New Shares.

There may be other risks of which the Directors are unaware which may impact the Company, its operations and/or valuation and performance of Shares (including, following issue, New Shares).

The New Shares therefore carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends in the near-future.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to the Offer (including New Shares under the Shortfall).

6 ASX QUOTATION AND DEFERRED SETTLEMENT TRADING

Application will be made to ASX for the official quotation of the New Shares to be issued under the Offer. If permission is not granted by the ASX for the official quotation of the New Shares to be issued under the Offer, SXG will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

ASX and its officers take no responsibility for the contents of this Offer Booklet. The fact that ASX may admit the New Shares to official quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares offered under this Offer Booklet (including New Shares under the Shortfall).

7 TAXATION IMPLICATIONS

The Directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer. SXG, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders. As a result, investors should consult their professional tax adviser in connection with subscribing for New Shares under the Offer (including New Shares under the Shortfall).

8 OVERSEAS SHAREHOLDERS

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The following countries are all the countries outside Australia in which Shareholders' addresses in the Company's register of members ("registered addresses") were located as at 7.00pm, Melbourne, Victoria, Australia time, on 3 April 2024 (being the ASX business day before the Offer was announced). The Company considers, on the basis of the information about Shareholders available to it, that the following would apply to those Shareholders,

and the Offer would be able to be made to and accepted by them. The Company has determined not to make the Offer to persons outside Australia or New Zealand unless the New Shares can be offered and issued in one of the following countries in accordance with the requirements set out in this Section 8 (as applicable to the respective country) or where the Company in its discretion determines to do so if it considers it is reasonable and practicable to make the Offer and issue New Shares under an exemption or other lawful method available to it (and having regard to the number of holders, number and value of the relevant New Shares and costs of complying with the legal requirements, and requirements of regulatory authorities) in the relevant place. This may mean that a Shareholder at the Record Date who was not a Shareholder on 3 April 2024 as referred to above or who is unable to comply with the requirements below may not be eligible to participate in the Offer and its entitlement to New Shares would form part of the Shortfall.

Canada

This document constitutes an offering of New Shares only in the Provinces of Alberta, British Columbia and Ontario (the "Provinces") only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Provinces.

Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside of Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its Directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la*

vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Canadian Shareholders will be sent a copy of this Offer Booklet and a personalised combined subscription agreement and entitlement & acceptance form which is to be used instead of the general entitlement and acceptance form.

Canadian Shareholders who are eligible to receive and accept the Offer as provided for above can accept their pro rata entitlement and (where permitted as provided for in Section 1.3) apply for additional New Shares by completing, signing and returning the personalised combined subscription agreement and entitlement & acceptance form, instead of the general entitlement and acceptance form, and making payment of the full applicable amount by EFT (or as otherwise agreed to by the Company) in accordance with the instructions in or accompanying the combined form. Copies of the combined form can be obtained by Canadian Shareholders from the Company by request to the email address in Section 14.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in Germany is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Hong Kong

WARNING: This document may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong). This document may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document has not been reviewed by any Hong Kong regulatory authority. In particular, this document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the New Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer of New Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Thailand

This document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other document relating to the offer, sale or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may such securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This document may be distributed in Thailand only to existing shareholders of the Company.

9 CUSTODIANS AND NOMINEES

Custodians and nominees may not distribute this Offer Booklet, and may not permit any beneficiary to participate in the Offer, except in Australia, the jurisdictions referred to in Section 8 (in accordance with the

requirements specified for the relevant jurisdictions) or, with the prior consent of the Company, to beneficiaries in certain other countries where the Company may determine it is lawful and practical to make the Offer.

10 GENERAL

The Offer and any contract under it are governed by the applicable law of Victoria, Australia.

The Offer has not been, and will not be, registered under the US Securities Act and has not and will not be made in the United States of America or to persons resident in the United States of America.

The information in this Offer Booklet does not constitute financial product advice. This Offer Booklet does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer of New Shares pursuant to this Offer Booklet, and risks associated with investing in the Company, having regard to their own objectives, financial situation, tax position and needs.

It is the responsibility of applicants to determine their allocation prior to trading in the shares. Applicants who sell shares before they receive their holding statements will do so at their own risk.

The Company seeks and engages in discussions on an ongoing basis in respect of potential opportunities for the establishment of new and the expansion of existing activities and business development opportunities. While the Company continues to seek and negotiate potential commercial opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all.

The Company operates an ongoing business. Its business may result in the Company receiving, amongst other matters, further results or updates on the status of matters previously disclosed via announcement to ASX.

The Company will make further announcements in respect of any such discussions, negotiations or updates as described above in accordance with its disclosure obligations as developments occur. You can obtain the Company's announcements from the ASX website www2.asx.com.au under the code "SXG".

11 PRIVACY

SXG and its share registry collect information provided on an Entitlement and Acceptance Form for the purposes of processing the acceptances and applications and to administer security holdings in SXG.

By submitting an Entitlement and Acceptance Form, you agree SXG and its share registry may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, SXG may not be able to act on or process your acceptance or application. An applicant has a right to gain access to the information that SXG holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to SXG's registered office.

12 CONSENT

Firelight Investments Ltd and Springtide Capital Pty Ltd have each given, and as at the date of this Offer Booklet have not withdrawn, their respective consent to be named as the underwriters of the Offer in the form and context in which they are each named in this Offer Booklet. Firelight Investments Ltd and Springtide Capital Pty Ltd have not authorised or caused the issue of any part of this Offer Booklet and, to the extent permitted by law, expressly disclaim and take no responsibility for any part of this Offer Booklet.

13 ENQUIRIES

Enquiries concerning the Offer can be directed to info@southerncrossgold.com.au.

14 DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors have approved this Offer Booklet.

A handwritten signature in black ink, appearing to read 'T. Eadie', written in a cursive style.

Ernest Thomas (Tom) Eadie
Non-Executive Chairman