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## Pre ASX-IPO Capital Raise 13 December 2021

*Restricted to Professional,  
Sophisticated and Other Exempt Wholesale  
Client Investors*





## INTRODUCTION AND WELCOME



**SOUTHERN CROSS  
GOLD**

*“The Victorian goldfields have entered a new golden age. Our work over the last 18 months has demonstrated that a lot of gold remains to be found in Victoria. Southern Cross Gold controls 3 of the 9 historic epizonal gold fields in Victoria. Two more of these historic fields include Fosterville and Costerfield, currently the highest and sixth highest grade gold mines globally. New exploration is delivering world leading grades and record Victorian production.*”



*Southern Cross Gold is positioned to become a great Australian gold story and you are invited to join a high quality register and team as it commences its Australian journey.”*

**Tom Eadie**  
Non-Executive Chairman

*“Much of the exploration and gold mines in the region are owned by Canadian-listed companies including Mawson Gold Ltd which proposes spinning out its drill-advanced Australian assets onto the ASX into Southern Cross Gold.*”

*Funds from this pre-IPO raise will be used to further expand on the industry-leading gold-antimony drill discoveries with the intention to define Victoria’s next significant gold-antimony resource and to seek to list on the ASX in Q2 2022. The proposed IPO will raise \$8m-\$10m at a competitively-priced enterprise valuation, which also includes a strategic 10% holding of ASX listed Nagambie Resources Ltd - itself with a market cap \$35m (7 Dec 2021).*

*Southern Cross Gold presents a ground-floor opportunity to invest in a company that has already found significant gold that is open at depth and along strike, is competitively priced and led by an experienced and established team of mine finders. We welcome you as a foundation shareholder of what we hope is not just an Australian, but a global success story, as work together with all stakeholders with trust and respect.”*



**Michael Hudson**  
Managing Director

### BACKGROUND AND SUMMARY

- Mawson Gold Ltd (“Mawson”) is developing a gold-cobalt project in Finland which has now in excess of 1Moz AuEq inferred resource and is also the EU’s 7<sup>th</sup> largest cobalt resource. With their Australian assets now drill established and targetting a maiden resource, it is time to **spin out the Australian assets and list them in their own right on the ASX under the name of Southern Cross Gold (“SXG”)**.
- SXG owns and has rights over significant gold tenements in the Melbourne Zone nearing 4,000 sq km. **A total of \$5m has been spent on exploration at its Victorian assets over the last year** including significant drilling at the Sunday Creek project and early drilling at the Redcastle and Whroo projects. SXG also owns a **strategic 10% position in ASX listed Nagambie Resources offering further value to the company.**
- Nearby **Fosterville** is the **highest grade underground gold mine** in the world and only a short drive north of Melbourne. It is operated by Kirkland Lake Gold Ltd of Canada. The **Costerfield** mine is owned by Mandalay Resources Corp of Canada, and is **the world’s 6<sup>th</sup> highest grade gold mine.**The Costerfield mine lease is located 2km along strike from SXG’s Redcastle tenement. Fosterville was the **10<sup>th</sup> highest producing gold mine** in 2020 and Costerfield was the **5<sup>th</sup> highest global producer of the speciality metal antimony.** *E79 Resources Ltd* of Canada announced on 14 June 2021<sup>i</sup> incredible intercepts with gold grades exceeding 2,400 g/t to the east in the Melbourne Zone. These companies are all listed in Canada and Australian investors are only now becoming aware of their global significance.
- **A discounted pre-IPO raise of up to \$2.5m** will provide capital for the proposed **Q2 2022 IPO of Southern Cross Gold** and will fund continued drilling on SXG projects through Q1 2022.
- The geologists leading Mawson **are proven** gold discoverers having drilled over 90,000m in Finland and Victoria over the last 3 years. This includes the discovery of Finland’s best ever gold hole drilled of **6 metres @ 617 g/t including 1 metre @ 3,540 g/t**<sup>ii</sup>. Having built their Finnish project to in excess of 1Moz AuEq<sup>iii</sup>, the board and management know how to build Southern Cross Gold into the next great Australian success story.
- Foundation Shareholders of Southern Cross Gold are invited to join the regularly held **broker/ fund manager/ media site tours** which visit the Victorian projects, observe the drill rigs and inspect drill samples at the Nagambie coreshed.



This term sheet (Term Sheet) summarises the principal terms of the Offer made by Southern Cross Gold Pty Ltd<sup>iv</sup> (“Southern Cross Gold”, “Southern Cross”, “SXG” or the “Company”) via issue of Shares (Equity Investment).

THIS IS AN INVESTMENT OPPORTUNITY FOR SOPHISTICATED AND PROFESSIONAL INVESTORS WHO ARE WHOLESALE CLIENTS ONLY AND NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN THE UNITED STATES OR TO U.S. PERSONS. ALL DOLLARS (“\$”) REFERRED TO ARE AUSTRALIAN DOLLARS.

| COMPANY                  |   |
|--------------------------|---|
| <b>Issuer</b>            | Southern Cross Gold Pty Ltd (ACN 652 166 795)   |
| <b>Corporate Details</b> | Level 21, 459 Collins St, Melbourne VIC 3000, phone +61 3 8630 3321   |
| <b>Website</b>           | <a href="http://www.southerncrossgold.com.au">www.southerncrossgold.com.au</a> and <a href="http://www.mawsongold.com">www.mawsongold.com</a> |

| OFFER                                 |   |
|---------------------------------------|---|
| <b>Securities</b>                     | Southern Cross Gold Pty Ltd (“SXG”) is undertaking a placement of up to \$2.5m via this issue of securities. This will occur prior to the proposed ASX IPO targeted for Q2 of the 2022 calendar year that will raise \$8m-\$10m (subject to ASX approvals). |
| <b>Pricing</b>                        | \$0.16 cps prior to proposed IPO Issue Price of \$0.20 (20 cents per share).  |
| <b>Pre-IPO Enterprise valuation</b>   | \$15.00m  |
| <b>Anticipated EV at proposed IPO</b> | \$21.88m  |
| <b>Proposed ASX Code</b>              | ASX: SXG  |
| <b>Sector</b>                         | Materials: Gold Exploration   |
| <b>Process</b>                        | The pre-IPO raise will be completed through manual applications   |

| SUMMARY  |  |
|--|--|
| <p><b>Victorian gold explorer</b></p> <ul style="list-style-type: none"> <li>• Three (of nine) Victorian high-grade gold/antimony (“Au/Sb”) historic goldfields</li> <li>• Sunday Creek (100% SXG) – a leading discovery in Victoria. Highlights (MDDSC0025) include: <ul style="list-style-type: none"> <li>• Width – 21.7 metres @ 5.6 g/t AuEq (4.7 g/t Au, 1.0% Sb), 11.7m @ 16.0 g/t AuEq (12.4g/t Au, 3.6% Sb)</li> <li>• Grade – 0.4 metres @ 165.4 g/t AuEq (145.5 g/t Au, 20.0% Sb), 3.0m @ 53.4 g/t AuEq (41.4 g/t Au, 12.0% Sb)</li> </ul> </li> <li>• Redcastle (70% JV) mine lease extension to Costerfield – 17km untested gold veins <ul style="list-style-type: none"> <li>• Strategic location: between &amp; directly abutting Fosterville and Costerfield</li> </ul> </li> <li>• Whroo (70% JV) – 14km untested mineralised trend, drilling now</li> <li>• More than \$6m invested over the last year,</li> <li>• Well established and experienced local board &amp; management looking to repeat Nordic discovery success (1Moz AuEq over last 3 years)</li> </ul> <p><b>Pre-IPO raise of up to \$2.5m @ \$0.16c</b></p> <ul style="list-style-type: none"> <li>• Capital expected to fund proposed IPO and accelerate already extensive drilling and exploration</li> <li>• Pre-money enterprise value of \$15m</li> <li>• SXG will own (under transfer from Mawson) a 10% holding of ASX-listed Nagambie Resources (~\$40m mkt cap) – provides deal flow on 3300km<sup>2</sup> tenure and CIL plant partial ownership</li> <li>• Proposed IPO at \$0.20c in Q2 of the 2022 calendar year for a +25% uplift</li> </ul> <p><b>IPO raising \$8m-\$10m</b></p> <ul style="list-style-type: none"> <li>• Post-listing enterprise value of \$21.88m including the investment in Nagambie Resources Ltd</li> <li>• Mawson’s holding to be distributed in-specie to &gt;3,000 Mawson shareholders after listing</li> <li>• Lead Managers for the IPO identified</li> </ul> |  |



|   |  |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
|---|--|----------------------|------------|----------------|------------|------------|------------|-------|-------------|--------------------|---------------|-------------------|--------------|---------------------------|---------------|
| <b>Use of funds</b>   | <ul style="list-style-type: none"> <li>Continue exploration and drilling at Southern Cross's Victorian properties with the intention to define Victoria's next significant gold-antimony resource;</li> <li>Provide capital to fund the IPO</li> </ul>   |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| <b>Asset summary</b>  | <ul style="list-style-type: none"> <li>Three of the nine historic Epizonal gold fields in Victoria: 471 sq km tenure <ul style="list-style-type: none"> <li>Flagship Sunday Creek (100%) plus Redcastle and Whroo (70% JVs)</li> <li>Right of first refusal over 3,300 square kilometre tenement package</li> </ul> </li> <li>Fosterville-style (shallow-orogenic epizonal) exploration projects under historic goldfields, including the best discovery to emerge from recent exploration activity in Victoria</li> <li>Strategic 10% equity investment into Nagambie Resources Ltd (~\$4m value).</li> <li>785km<sup>2</sup> tenure in the Cloncurry/ Mount Isa block, over a combined 60km of strike <ul style="list-style-type: none"> <li>One drill hole completed, funded by Queensland government.</li> </ul> </li> </ul> |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| <b>Proposed Enterprise Values</b>   | <ul style="list-style-type: none"> <li>Southern Cross intends to be competitively priced to comparables to provide uplift at IPO <ul style="list-style-type: none"> <li>EV at pre-IPO \$15m (including ASX:NAG 50m shares @ \$3.4m valuation)</li> <li>Proposed EV at IPO ~\$21.88m</li> </ul> </li> </ul>   |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| <b>Indicative Capital structure Proposed at IPO at max raise of \$10m</b> | <table border="1"> <tr> <td>Mawson shares in SXG</td> <td>93,750,000</td> </tr> <tr> <td>Pre-IPO at 16c</td> <td>15,625,000</td> </tr> <tr> <td>IPO at 20c</td> <td>50,000,000</td> </tr> <tr> <td>Total</td> <td>159,375,000</td> </tr> <tr> <td>Valuation post IPO</td> <td>\$ 31,875,000</td> </tr> <tr> <td>Proceeds from IPO</td> <td>\$10,000,000</td> </tr> <tr> <td>Enterprise Value post IPO</td> <td>\$ 21,875,000</td> </tr> </table>   | Mawson shares in SXG | 93,750,000 | Pre-IPO at 16c | 15,625,000 | IPO at 20c | 50,000,000 | Total | 159,375,000 | Valuation post IPO | \$ 31,875,000 | Proceeds from IPO | \$10,000,000 | Enterprise Value post IPO | \$ 21,875,000 |
| Mawson shares in SXG  | 93,750,000   |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| Pre-IPO at 16c  | 15,625,000   |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| IPO at 20c  | 50,000,000   |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| Total   | 159,375,000  |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| Valuation post IPO  | \$ 31,875,000  |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| Proceeds from IPO   | \$10,000,000   |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| Enterprise Value post IPO   | \$ 21,875,000  |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |
| <b>Further Information available</b>                                      | <ul style="list-style-type: none"> <li><a href="http://www.southerncrossgold.com.au">www.southerncrossgold.com.au</a> and <a href="http://www.mawsongold.com">www.mawsongold.com</a></li> <li>Corporate Presentation</li> <li>Video interviews with management and showing tenements</li> </ul>  |                      |            |                |            |            |            |       |             |                    |               |                   |              |                           |               |

## INDICATIVE TIMING

*All dates are subject to change*

|                            |   |
|----------------------------|---|
| <b>Applications Open</b>   | 9 December 2021   |
| <b>Applications Close</b>  | 21 December 2021  |
| <b>Expected ASX IPO</b>    | Q2 2022 calendar year   |
| <b>Bidding information</b> | Bids (application form and payment) due by 2pm Tuesday 21 December 2021 directly to <a href="mailto:nm@southerncrossgold.com.au">nm@southerncrossgold.com.au</a> (or your referring broker) |



| DIRECTORS         |                    |
|-------------------|--------------------|
| Tom Eadie         | Non-Exec Chairman  |
| Michael Hudson    | Managing Director  |
| Georgina Carnegie | Non- Exec Director |
| David Henstridge  | Non- Exec Director |

| MAJOR SHAREHOLDERS (prior to Pre-IPO raise)                              |      |
|--|------|
| Mawson Gold Limited  | 100% |
| Institutions (SEP, Ruffer, Franklin, Sprott, Merk, Mackenzie, US Global) |      |
| Corporates (Newmont, Orano (Areva))                                      |      |
| >3,000 shareholders to be In-Specie distribution after IPO               |      |

| LOOK THROUGH SXG HOLDINGS AT IPO |                         |           |
|----------------------------------|-------------------------|-----------|
| Michael Hudson                   | Managing Director       | 1,033,880 |
| David Henstridge                 | NED                     | 533,267   |
| Georgina Carnegie                | NED                     | 77,657    |
| Nick DeMare                      | CFO                     | 309,641   |
| Dr Nick Cook                     | Chief Technical Adviser | 179,607   |

| INDICATIVE TIMETABLE (subject to change) |                  |
|--|------------------|
| Applications Open                        | 09 December 2021 |
| Offer Closes                             | 21 December 2021 |
| Expected ASX IPO                         | Q2 2022          |

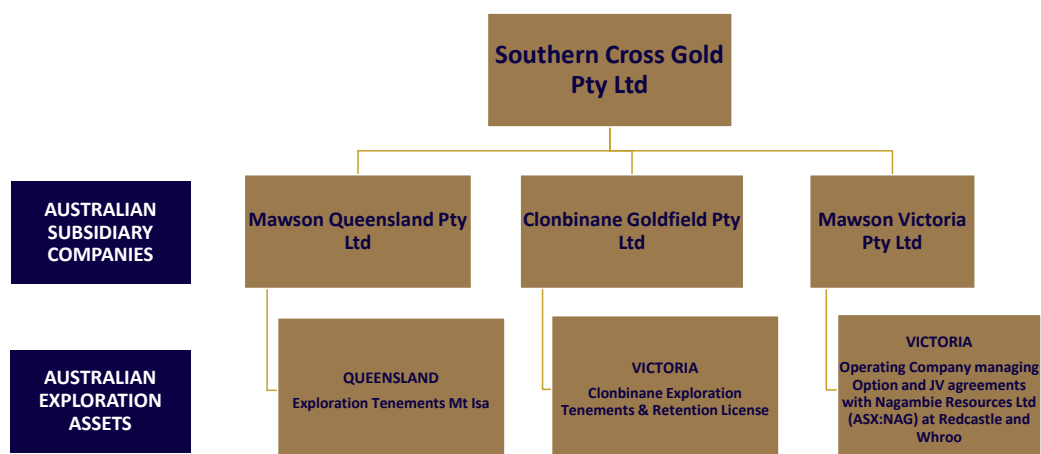
| PROPOSED TWO YEAR EXPENDITURES                  | MIN ('000) | MAX ('000) |
|---|------------|------------|
| Funds raised in this Pre-IPO                    | 2,000      | 2,500      |
| Funds raised at proposed IPO                    | 8,000      | 10,000     |
| Drilling, trenching and assays                  |            |            |
| <i>Sunday Creek (Vic)</i>                       | 1,700      | 2,500      |
| <i>Redcastle (Vic)</i>                          | 190        | 425        |
| <i>Whroo (Vic)</i>                              | 500        | 500        |
| <i>Cloncurry/ Mt Isa (Qld)</i>                  | 340        | 450        |
| Other exploration (including personnel & admin) | 2,393      | 2,927      |
| Potential freehold purchase at Clonbinane (Vic) | 2,000      | 2,000      |
| General administration                          | 592        | 793        |
| IPO Costs                                       | 780        | 900        |
| Working Capital                                 | 700        | 700        |
| Total expenditures                              | 9,195      | 11,195     |

| INDICATIVE CAPITAL STRUCTURE AT LISTING     | MIN \$8m | MAX \$10m |
|---|----------|-----------|
| Existing Shares on issue                    | 93.75m   |           |
| Pre-IPO Shares \$2.5m @ 16c                 | 15.625m  |           |
| Public offer shares                         | 40.0m    | 50.0m     |
| Total value of shares in the IPO            | \$8.0m   | \$10.0m   |
| TOTAL SHARES ON ISSUE POST IPO pre-Warrants | 149.375m | 159.375m  |
| Indicative Market cap @ \$0.20c             | \$29.9m  | \$31.2m   |

## CORPORATE

## OWNERSHIP STRUCTURE

The Company is currently a proprietary limited ("Pty Ltd") company and will convert to a public company (Southern Cross Gold Limited) before applying for admission to the ASX.





**SOUTHERN CROSS  
GOLD**

**VICTORIA**

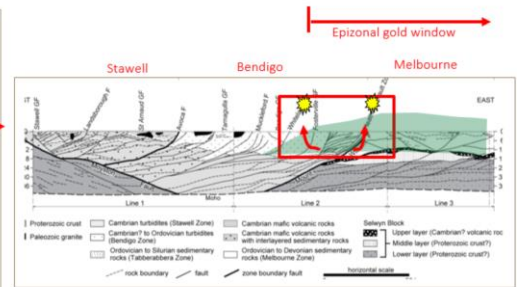
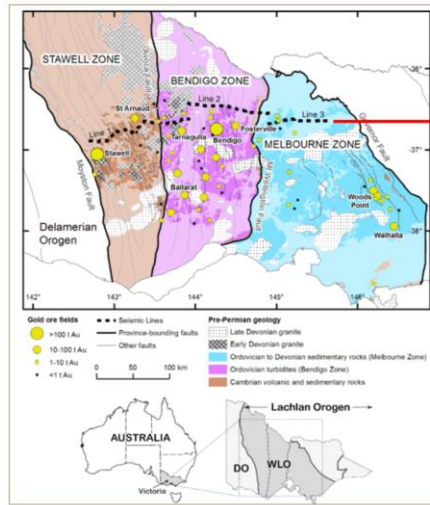
**THE OPPORTUNITY**

**THE NEWLY EMERGED  
VICTORIAN OPPORTUNITY**

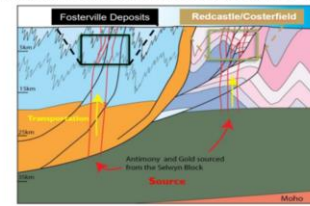
Three Tectonic Zones

Two Distinct Orogenic  
Events

Until *Fosterville* and *Costerfield* there was minimal exploration for epizonal gold deposits in the Melbourne Zone



Interpreted composite seismic cross section of Victoria



**THE OPPORTUNITY**

There remains a lot of gold to be found in Victoria.

SXG controls 3 of the 9 historic epizonal gold fields in Victoria. Two of the other historic fields include Fosterville and Costerfield, currently the highest and sixth highest grade gold mines globally.

New exploration is delivering world leading grades and production

**HIGHEST-GRADE GOLD MINES 2020**

| MINE                         | LOCATION         | OWNER                | Q1 2020 Au milled grade, g/t |
|------------------------------|------------------|----------------------|------------------------------|
| <b>Fosterville</b>           | <b>Australia</b> | <b>Kirkland Lake</b> | <b>42.4</b>                  |
| Nevada Operations            | USA              | Hecla                | 35.9                         |
| Macassa                      | Canada           | Kirkland Lake        | 19.7                         |
| Segovia Operations           | Columbia         | Gran Columbia        | 14.9                         |
| Eagle River                  | Canada           | Wesdome              | 14.0                         |
| <b>Costerfield/ Augusta*</b> | <b>Australia</b> | <b>Mandalay</b>      | <b>12.6</b>                  |
| Hope Bay                     | Canada           | TMAC                 | 11.9                         |
| Island Gold                  | Canada           | Alamos Gold          | 11.7                         |
| Bambanani                    | South Africa     | Harmony Gold         | 10.7                         |
| Seabee                       | Canada           | SSR Mining           | 10.3                         |

**TOP GOLD PRODUCERS 2020**

| MINE               | LOCATION         | OPERATING OWNER           | TYPE       | 2020 PROD (KOZ) | 2020 COSTS (USD/OZ) |
|--------------------|------------------|---------------------------|------------|-----------------|---------------------|
| Olympia            | Russia           | Polyus                    | Open-Pit   | 1,200           | 532                 |
| Pueblo Viejo       | Dominican Rep    | Barrick Gold              | Open-Pit   | 899             | 661                 |
| Grasberg           | Indonesia        | Freeport-McMoRan          | U/G        | 848             | 1,279               |
| Cadia Valley       | Australia        | Newcrest                  | U/G        | 822             | 104                 |
| Kibali             | DRC              | Barrick Gold              | Open+ UG   | 807             | 778                 |
| Cortez             | USA              | Barrick Gold              | Open+ UG   | 798             | 1,000               |
| Lihir              | PNG              | Newcrest                  | Open-Pit   | 772             | 1,308               |
| Loulo Goukoto      | Mali             | Barrick Gold              | Open+ UG   | 680             | 1,001               |
| Boddington         | Australia        | Newmont                   | Open-Pit   | 670             | 1,091               |
| <b>Fosterville</b> | <b>Australia</b> | <b>Kirkland Lake Gold</b> | <b>U/G</b> | <b>640</b>      | <b>313</b>          |

**Southern Cross Gold 2020/21**

- 3.0m @ 53.4 g/t AuEq (41.4 g/t Au, 12.0% Sb)
- 0.4m @ 165 g/t AuEq (145 g/t Au, 20.0% Sb)
- 0.3m @ 96.5 g/t AuEq (82.8 g/t Au, 13.8% Sb)
- 0.3m @ 78.7 g/t AuEq (74.0 g/t Au, 4.8% Sb)
- 0.3m @ 70.3 g/t AuEq (45.1 g/t Au, 25.3% Sb)

**Costerfield June 2021**

- 0.3m @ 172.3 g/t Au
- 0.7m @ 127.0 g/t Au
- 0.1m @ 712.8 g/t Au



**Fosterville South 2021**

- 0.7m @ 238.1 g/t Au (1,500m North of SXG's Sunday Creek)



**E79 June 2021**

- 0.7m @ 99.0 g/t Au
- 11.1m @ 160.5 g/t Au
  - incl. 0.60m @ 2,430 g/t Au



**Kirkland Lake August 2021**

- 2.6m @ 51.7 g/t Au (500m step out)
- 1.8m @ 258 g/t Au
- 2.0m @ 142 g/t Au (1000m step out)

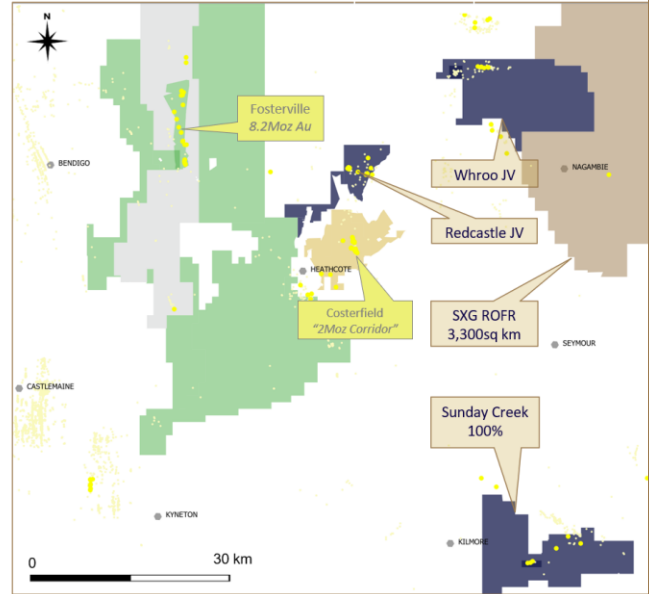




**SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS**



- Epizonal Gold Deposits
- SXG Tenements
- SXG Nagambie Right of First Refusal
- Kirkland Lake Gold (Fosterville)
- Mandalay Resources (Costerfield)
- S2 Resources



**SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS**

*SUNDAY CREEK (100%)*

Significant drilling and continually hitting multiple veins over 800 metres strike to 250 metres depth. Open over 11km.

25 drill holes now completed for 6,005 metres: Width *and* Grade

**Grade**

- 3.0m @ 53.4 g/t AuEq (41.4 g/t Au, 12.0% Sb)
- 0.4m @ 165.4 g/t AuEq (145.5 g/t Au, 20.0% Sb)
- 2.0m @ 19.1 g/t AuEq ( 18.6 g/t Au, 0.5% Sb)
- 0.3m @ 96.5 g/t AuEq ( 82.8 g/t Au, 13.8% Sb)
- 0.3m @ 78.7 g/t AuEq ( 74.0 g/t Au, 4.8% Sb)
- 0.3m @ 70.3 g/t AuEq ( 45.1 g/t Au, 25.3% Sb)
- 0.1m @ 60.0 g/t AuEq ( 52.6 g/t Au, 7.5% Sb)

**Width**

- 11.7m @ 16.0 g/t AuEq (12.4g/t Au, 3.6% Sb)
- 21.7m @ 5.6 g/t AuEq ( 4.7 g/t Au, 1.0% Sb)
- 36.4m @ 2.8 g/t AuEq ( 2.4 g/t Au, 0.4% Sb)
- 10.4m @ 6.4 g/t AuEq ( 5.4 g/t Au, 1.0% Sb)
- 15.2m @ 3.9 g/t AuEq ( 3.7 g/t Au, 2.5% Sb)
- 3.1m @ 12.4 g/t AuEq (10.8 g/t Au, 1.6% Sb)
- 9.0m @ 4.8 g/t AuEq ( 4.7 g/t Au, 0.1% Sb)

*Au = Gold and Sb = Antimony (a "Strategic Metal")*

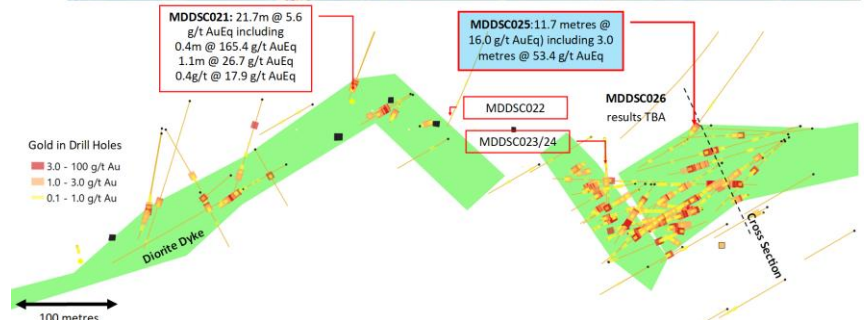
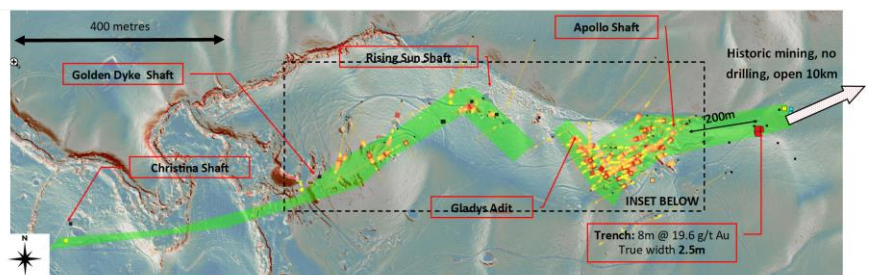
- 1,200 point soil-sampling – extending system over undrilled 10km footprint
- Trenching - high grades ie 8.0m @ 19.6 g/t Au
- 3D Geophysical surveys + Ground Mag + LiDAR surveys completed

**SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS**

*SUNDAY CREEK (100%)*

Drilling at Golden Dyke, Gladys & Apollo

11km open at length, width *and* depth



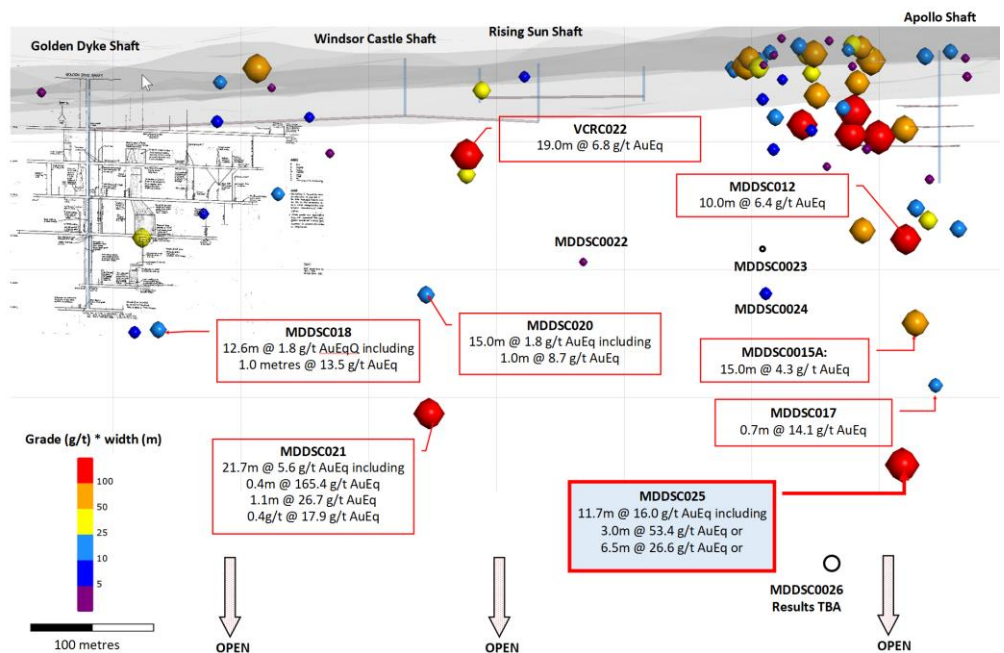


SOUTHERN CROSS  
GOLD

SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS

SUNDAY CREEK (100%)

Longitudinal section shows continuity to depth

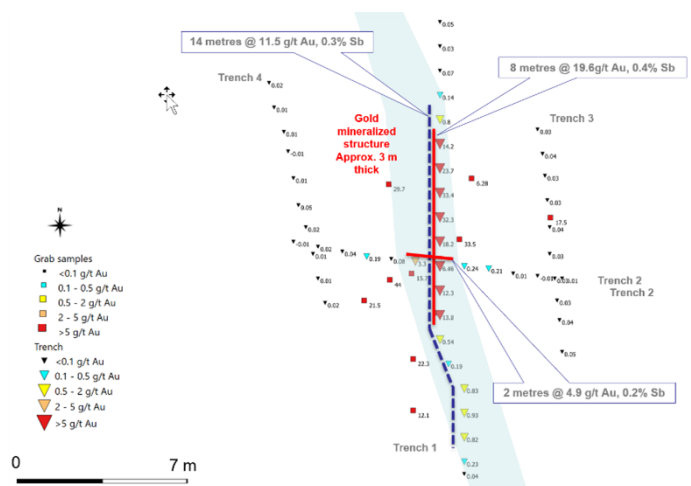


SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS

SUNDAY CREEK (100%)

High grade gold has been discovered in trenching in undrilled areas 200m east of the Apollo mine

- Highlights include:
  - 14.0m at 11.5 g/t gold & 0.3% antimony Trench 1 including 8m @ 19.6 g/t gold & 0.4% antimony
  - 2m @ 4.9 g/t gold & 0.2% antimony Trench 2
- Mineralisation remains open 10kms to the east of these trenches- historic mining but no previous drilling
- Completed 1,200 sample soil survey into the 10km extension





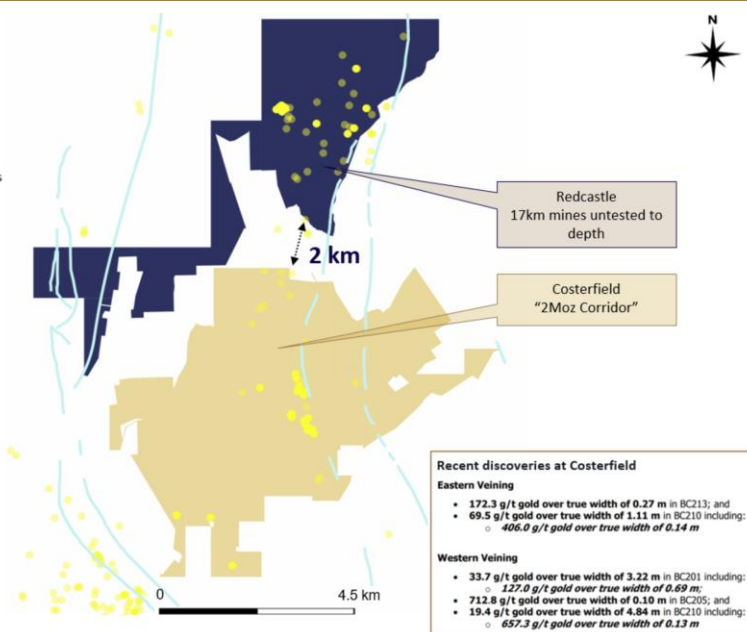


**SOUTHERN CROSS  
GOLD**

**SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS**

*REDCASTLE (Earning 70% JV)*

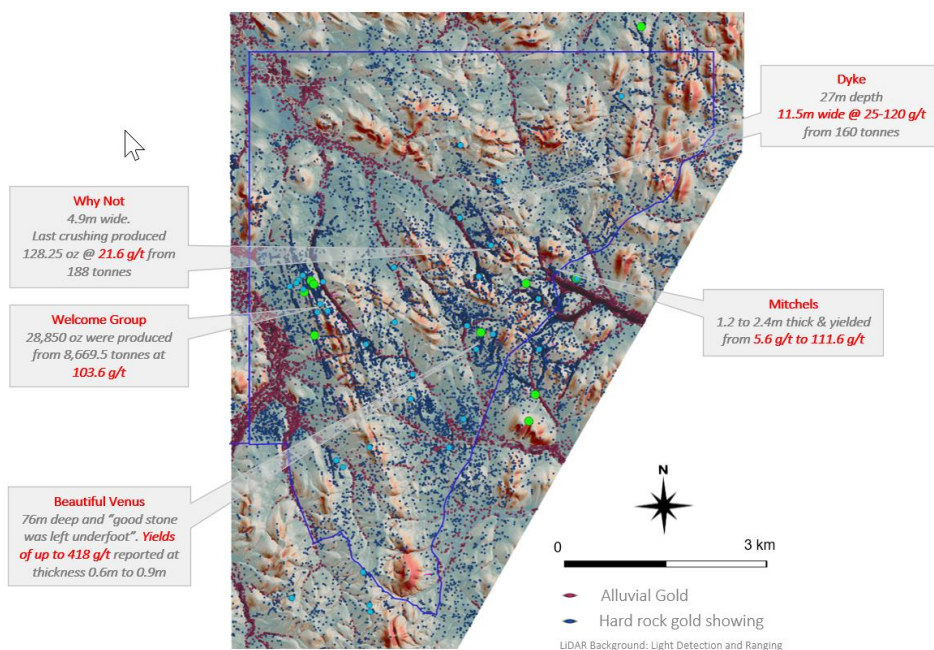
2km from and mine lease extension of *Costerfield*: the worlds 6<sup>th</sup> highest grade underground gold mine & 5<sup>th</sup> highest antimony producer in 2020.



**SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS**

*REDCASTLE (Earning 70% JV)*

17km mineralised veins.  
40,000 historic workings.  
Never drilled beneath historic workings until 2020.





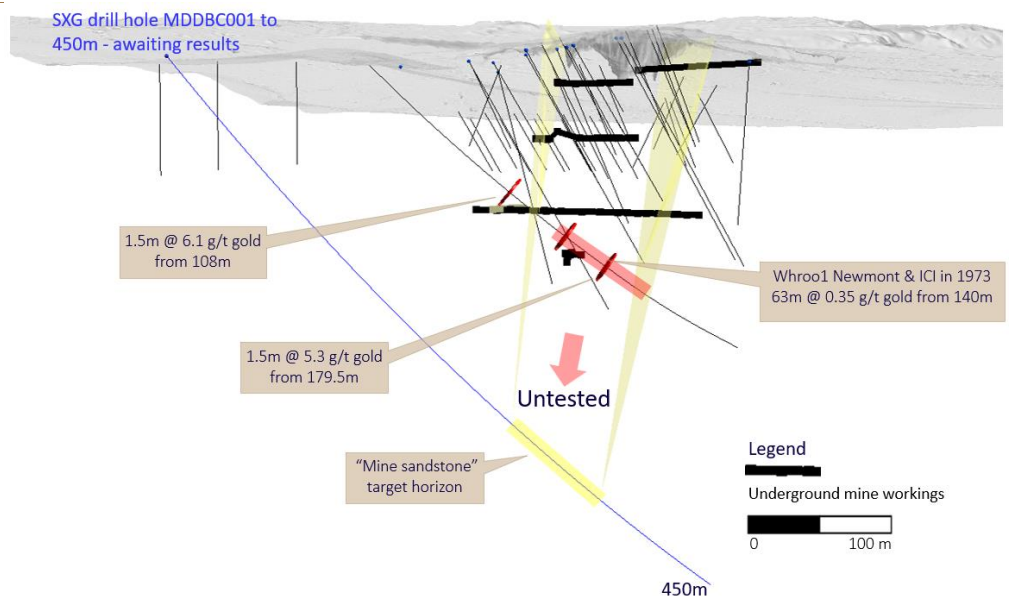
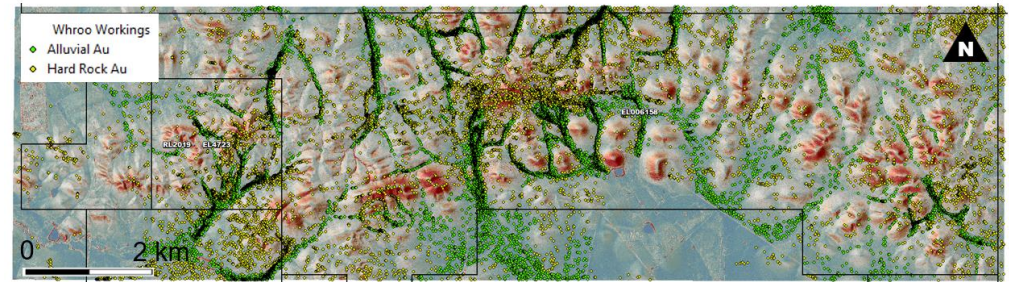
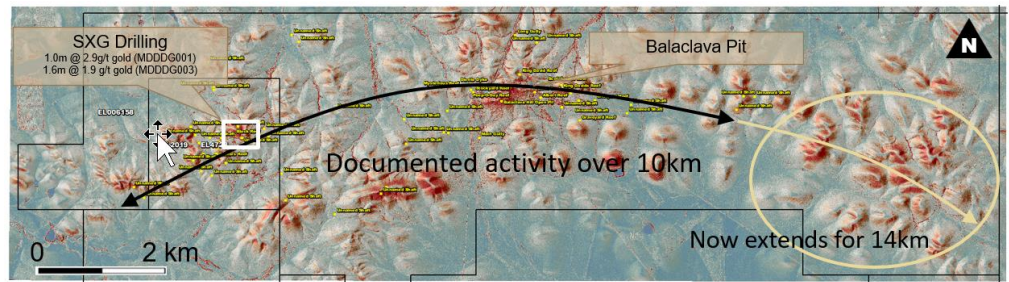
**SOUTHERN CROSS  
GOLD**

**SOUTHERN CROSS GOLD  
VICTORIA TENEMENTS**

*WHROO (Earning 70% JV)*

14km long epizonal field.  
34,500 surface workings.  
Untested to depth.

SXG now drilling two deep diamond holes under the Balaclava open pit. Production at Whroo is estimated to have been 40,000 oz of gold<sup>yr</sup>, of which Balaclava was one of the largest producers during the mid to late 1800s.



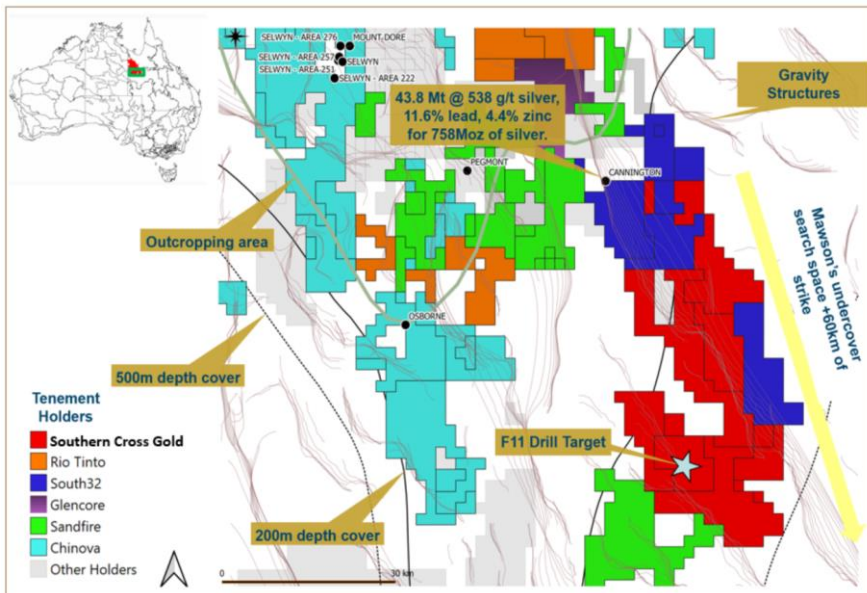
**SOUTHERN CROSS GOLD  
QUEENSLAND TENEMENTS**

MT. ISA (100%)

785km<sup>2</sup> tenure in the Cloncurry district, covering 60km of strike of the Cloncurry Fault.

One drill hole completed, funded by Queensland government.

Top 10 targets ranked and drill ready.



**SOUTHERN CROSS GOLD  
STRATEGIC ASSETS**

NAGAMBIE RESOURCES  
LTD (ASX: NAG)

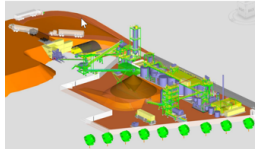
SXG holds 10% of ASX:NAG

Strategic holding

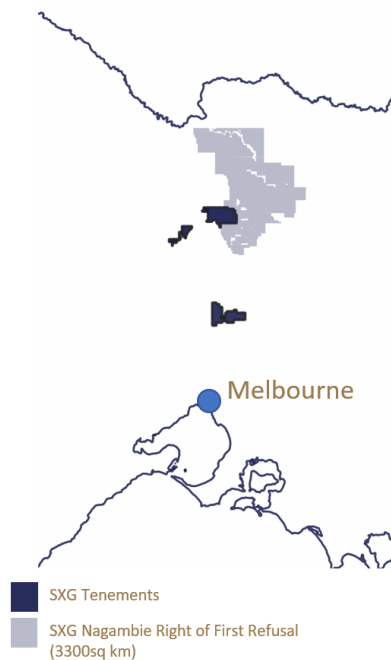
Deal flow

Potential access to CIL gold processing plant

- Southern Cross Gold also holds 50m shares (10%) of ASX-listed Nagambie Resources (ASX:NAG)
  - Now constructing a CIL 180,000 tpa gold processing plant
  - Potential access for toll treatment – game changer for central Victoria



- Provides the Right of First Refusal (RoFR) to take up or match any proposals over a large 3,300km<sup>2</sup> tenement package held by Nagambie
  - Deal flow - potential pipeline of new projects



**CORE VALUES**

“Working together with trust and respect.”

**ESG**

- SXG via Mawson has its ESG practices independently assessed through the ‘Digbee ESG’ framework
- SXG has a dedicated Indigenous People’s Policy and actively engages with the Taungurung Land & Waters Council.



## LEADERSHIP

## PROPOSED DIRECTORS



**SOUTHERN CROSS  
GOLD**

**Tom Eadie** | Non- Executive Chairman

- Explorer, mining executive and company director with many significant mineral discoveries & several successful companies to his name. Geologist with over 40 years' experience in the resources industry.
- Former Executive Chairman of Copper Strike, founding Chairman of Syrah Resources and previously Executive General Manager - Exploration and Technology at Pasmaenco. Past Board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association. Current Board member of Strandline Resources Ltd and Alderan Resources Ltd.


**Michael Hudson** | Managing Director

- Geologist (B.Sc. (Hons 1st), explorationist and entrepreneur, Company Director.
- Developed and financed mineral exploration properties globally over 30 years (raising +\$200m).
- Started his career underground for 3 years in Broken Hill in 1990 with Pasmaenco Ltd., he has managed and developed exploration to pre-feasibility projects in Pakistan, Australia, Peru, Argentina, Mexico, Finland, Spain, Portugal and Sweden for major and junior mining companies. He was an integral team member for the discovery of the Portia gold deposit in the Olary district of South Australia, the Duddar Pb-Zn mine in Pakistan, the Norra Karr REE deposit in Sweden, the San Martin Cu-Ag discovery in Peru and the Rompas-Rajapalot gold-cobalt resource in Finland.
- Founder and director of Mawson Gold Ltd (TSX:MAW) and Hannan Metals Ltd (TSXV:HAN) – copper and silver Peru (JV with JOGMEC) and a director of Sixty Six Capital (CVE:SIX). He is a Fellow of the Australasian Institute of Mining and Metallurgy and Member of both the Society for Economic Geologists and Australian Institute of Geoscientists.


**Georgina Carnegie** | Non-Executive Director

- Worked for the past decade as an advisor to The Sentient Group, a US\$2.7bn private equity firm specializing in the development of natural resources. Has held senior positions in the Australian government and life insurance sectors, and co-owned Market Intelligence (Asia) a Singapore based strategic research firm, for over a decade.
- Currently a Senior Advisor to Mawson Gold Ltd. Director of Hannan Metals Ltd (TSXV:HAN) and a member of the Board of the Australian Government's Australia Korea Foundation, a member of the Executive Board, Australia Korea Business Council, on the Advisory Council of Asialink.
- Recently served on the Advisory Committee to the Emerging Markets Network of the OECD, and early in her career worked at the OECD Secretariat (agricultural commodities). Long standing links to Australian Universities - Member Council Australia National University (three terms), Member, Council, Curtin University (WA - three terms) and Member Board UNSW "Unisearch" (two terms). Currently Member, Vice Chancellor's Industry & Business Advisory Board, University of Newcastle.
- B Economics (Monash) and an MPA (Kennedy School of Government, Harvard). Previous Board appointments include Capral Aluminium and Australian Airlines. President of Cooks River Croquet Club.


**David Henstridge** | Non-Executive Director

- Geologist with a B.Sc (Hons) from the University of Adelaide & professional designations from each of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Geological Society of Australia
- 50 years' experience in the mining industry including 30 years managing public-listed companies
- Associated with many mineral discoveries worldwide including in Australia, Peru and Finland. Moving into the Canadian capital markets in 1993, he has been associated with Companies raising more than \$200 million for exploration and project development, been a co-founder of five capital pool Companies listed on the Toronto Venture Exchange, all succeeding with qualifying transactions in the exploration industry and the reconstruction and re-listing of several more defunct Companies.
- Currently a director & member of various audit, compensation, corporate governance & nominating committees of other public-listed mineral exploration companies in Canada.



**Lisa Gibbons** | General Manager

- Ms Gibbons holds a Bachelor of Applied Science with Honours in Geology from the University of Technology Sydney and a Masters of Teaching (Science) from the University of New England.
- Over 30 years' experience in exploration within Australia, South America and the US. While working as a Principal Geologist for Newmont, Lisa was a finalist for the Telstra Business Women of the Year Award.

**Dr Nick Cook** | Technical Adviser

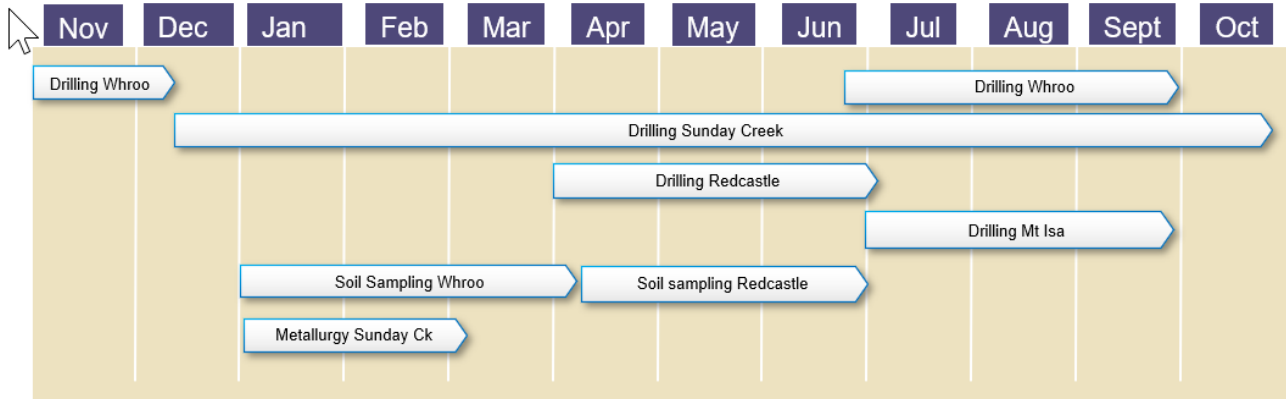
- Dr Nick Cook obtained his Bachelor of Science with Honours (Geology) from the University of Otago in 1985, then a PhD (Geology) from the University of New England in 1994.
- Over 20 years of global experience in exploration and exploration-focused research geology.

**Nicholas Mead** | Manager Corporate Development

- Over 20 years' experience in business development and investor relations experience primarily in the global mining investment sector but also in property and infrastructure. Mr Mead started his career as a political risk analyst for WMC Resources Ltd in Brazil on the CVRD privatisation opportunity. Mr Mead then worked as an investment analyst at AMP Asset Management and mining analyst for Cazenove in Sydney, Australia.
- Mr Mead then worked for The Sentient Group, a global private equity investor in the mining sector, where he raised over US\$2bn as Partner for Investor Relations concentrating on developing and maintaining relations with investors, consultants and stakeholders.
- He is a graduate of Monash University, the University of Oxford and the Securities Institute of Australia.



Southern Cross Gold has clear clear plans for continuation drilling, exploration and discovery over its Victorian tenements with an aim to create Victoria’s next significant resource discovery.

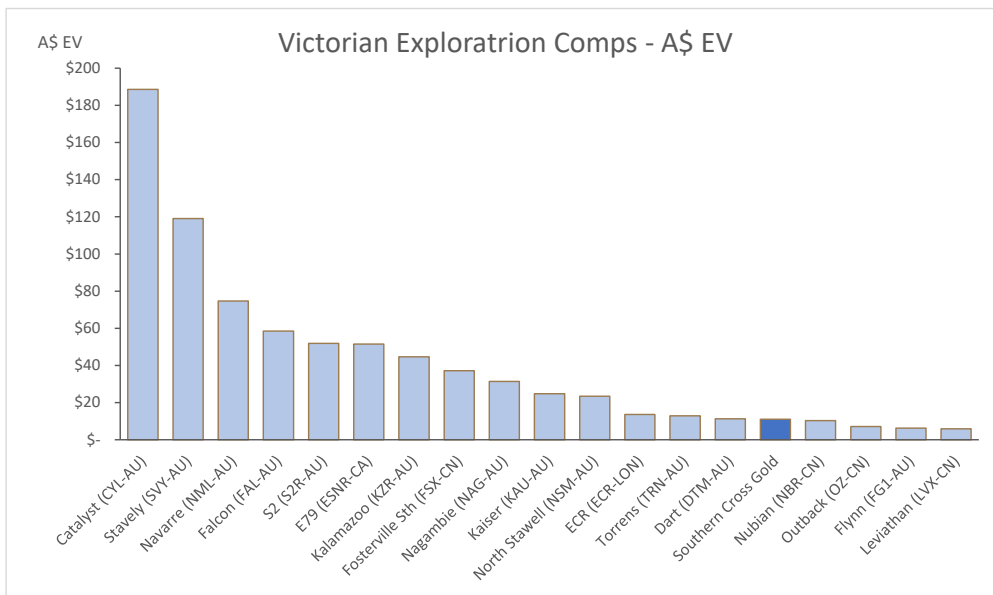


COMPARISONS

PEER VALUATIONS

It is proposed to price Southern Cross Gold conservatively to provide foundation investors an uplift at IPO uplift, followed by a re-rate once listed and further increase upon declaration of maiden resource.

*Lowest quartile valuation on top quartile projects  
Pricing competitively to provide an IPO uplift and a post-IPO rerate*







**SOUTHERN CROSS  
GOLD**

## TENEMENTS

## BACKGROUND AND DETAILS

In the Victorian goldfields of Australia, SXG (via Mawson Gold Ltd) executed multifaceted agreements with Nagambie Resources Limited (NAG:ASX) (“Nagambie”) in March 2020 and again in October 2020. As a consequence, SXG controls three significant epizonal historic goldfields (Sunday Creek, Redcastle and Whroo) within 471 sq km of granted tenements and applications in Victoria and holds a right of first refusal to take up or match proposals being considered over the remainder of Nagambie’s 3,300 square kilometre tenement package in Victoria.

Victoria hosts one of the giant orogenic goldfields of the world with more than 80 Moz extracted since 1851. The state is now experiencing its third gold boom with the discovery of the Swan Zone at Fosterville (current proven and probable reserve 3 Mt @ 21.8 g/t gold for 2.1 Moz). There are two distinct sub-types of orogenic gold mineralisation in Victoria (mesozonal and epizonal), formed during different metallogenic/orogenic events: the first recorded from the ~445 Ma Benambran Orogeny, and the second from the ~370-380 Ma Tabberabberan Orogeny occurring within distinct regional geological domains. The majority of gold recovered from the Victorian goldfields has been produced from the older, Benambran-aged mesozonal gold-quartz vein systems, targeted by the old-timers in the Bendigo and Stawell zones. More recently, Fosterville has rewritten the Victorian geological opportunity for epizonal gold deposits. We now understand that epizonal systems can develop extremely high-grade, free gold deposits, as the miners in 1859 demonstrated at Redcastle.

## SUNDAY CREEK 100% SXG

## BACKGROUND AND DETAILS

Sunday Creek is a shallow orogenic (or epizonal) Fosterville-style deposit located 56 kilometres north of Melbourne and contained with 19,365 hectares of both granted and applied for exploration tenements. Historic gold mining between 1880-1920 occurred over a greater than 11-kilometre trend. Drilling during 1990-2000s focused on shallow, previously mined surface workings, covering an area of 100 metres in width, 800 metres length but only to 80 metres depth. As such, the entire field remains open along strike and to depth. Apollo was the original deepest shaft to 100 metres in the late 1800s in a series of sheeted stibnite-rich veins, predominately hosted within a felsic dyke that broadly controls gold distribution.

Mineralisation at Sunday Creek is hosted in late-Silurian to early-Devonian-aged shales and siltstones containing a series of dykes of felsic-intermediate composition. Gold is concentrated mainly in and around the EW to NE-SW trending felsic dykes, within predominately NW oriented brittle multiple sheeted veins and cataclastic zones. Individual high-grade quartz-stibnite veins at Apollo and Golden Dyke, and cataclastic zones at Gladys were the focus of historical mining at Sunday Creek. These zones have been proven to continue to depth by SXG. Broader vein-hosted and cataclastic mineralisation grading less than 15 g/t gold appears untouched by the historic miners.

SXG has now completed 25 drill holes (MDDSC001-025) for 6,005 metres at the Sunday Creek gold project where drilling continues. Assays from 21 out of the 25 completed holes have been released. Geophysical surveys (3D induced polarisation and ground magnetics) have been completed. A 1,200-point soil sampling program at Sunday Creek has been completed extending east-northeast from drilling areas to test the 10 kilometre trend of historic epizonal dyke-hosted mineralisation within SXG’s tenured areas.

The Company has announced the results of 21 holes from the ongoing diamond drill program at Sunday Creek, where drilling continues. The results to date include:

- MDDSC001 drillhole intersected 15.2 metres @ 3.7 g/t gold (“Au”) from surface including 0.6 metres at 17.9 g/t gold from 10.4 metres while testing unmined extensions of the historic Apollo mine area. This confirmed the tenor of gold mineralisation found within earlier reverse-circulation drill results, from previous explorers, using orientated HQ-sized core.



SOUTHERN CROSS  
GOLD

- MDDSC002 intersected 5.0 metres @ 5.2 g/t gold from 53.8 metres including 0.29 metres at 79.4 g/t gold from 53.8 metres and 21.0 metres @ 3.4 g/t gold from 109.0 metres including 1.1 metres at 22.3 g/t gold from 109.0 metres, while testing immediate down dip extensions of SXG drill hole MDDSC001.
- MDDSC003, located 330 metres WNW of MDDSC002, intersected 7.9 metres @ 1.8 g/t gold from 71.7 metres while testing unmined extensions of the historic Rising Sun area.
- MDDSC004 drilled to test the eastern end of the Golden Dyke trend, with a best result of 1.0 metres 0.5 g/t gold from 44 metres. The hole intersected an historic mining void between 71.4 metres to 78.6 metres with 5.2 metres core loss in the 7.2 metre interval leaving potential to test the mined-out zone at deeper levels, with a low gold mineralised halo intersected between 44 metres to 104 metres (50 metres downhole width), leaving potential to test the mined-out zone at deeper levels.
- MDDSC005 was drilled immediately beneath the 100-metre-deep Apollo shaft to test the parallel and down dip extensions of the unmined extensions of the historic mine area. The hole intersected the north-west oriented mineralised structure over 47.5 metres @ 1.3 g/t gold from 88.0 metres down hole depth without applying a lower-cut. Higher grade intersections in the hole were 4.2 metres @ 3.4 g/t gold from 88.0 metres and 11.5 metres @ 3.3 g/t gold from 123.7 metres, including 0.1 metres @ 52.6 g/t gold from 123.7 metres, 0.3 metres @ 17.9 g/t gold from 128.2 metres and 0.3 metres @ 45.1 g/t gold from 133.5 metres. An historic mining void was intersected from 100.4 to 103.4 metres down the hole. Visible gold was observed within stibnite+quartz veins at 88.7 metres, 123.7 metres, 128.2 metres and 130.9 metres.
- Diamond drillhole MDDSC007, drilled 60 metres to the SW of MDDSC010, intersected a broad 20 metre lower grade zone from 76.2 metres, that included 5.8 metres @ 2.2 g/t gold, 0.4 % antimony (“Sb”) from 76.2 metres including 0.4 metres @ 22.3 g/t gold and 3.2 % antimony from 78.6 metres.
- Diamond drillhole MDDSC008, drilled 60 metres above MDDSC010, intersected 2.1 metres @ 7.6 g/t gold, 1.7% antimony from 67.7 metres including 0.7 metres @ 21.5 g/t gold and 5.0 % antimony from 73.9 metres and 0.2 metres @ 8.0 g/t gold, 3.9 % antimony from 95.0 metres.
- Diamond drillhole MDDSC0010 intersected 7.0 metres @ 6.0 g/t gold from 72.4 metres including 2.0 metres @ 18.5 g/t gold from 73.9 metres and 3.4 metres @ 9.7 g/t gold from 97.9 metres including 0.3 metres @ 72.9 g/t gold from 101.0 metres while testing the down dip extensions of the historic Gladys mine area.
- Diamond drillhole MDDSC0012 was drilled 110 metres vertically below the historic Apollo mine workings and intersected thick and high-grade mineralised intervals over a combined width of 36.4 metres @ 2.8 g/t gold equivalent (“AuEq”) (2.4 g/t gold and 0.4% antimony) from 177 metres (without a lower cut). Better intervals included (lower cut of 0.3 g/t Au cut over 2.0 metre width, with higher grades reported with a 5 g/t Au cut over 1.0 metre):
  - 13 metres @ 1.9 g/t AuEq (1.7 g/t Au and 0.14% Sb) from 177 metres
    - including 0.8 metres @ 12.3 g/t AuEq (11.4 g/t Au and 0.9% Sb) from 178.0 metres
  - 17.7 metres @ 4.4 g/t AuEq (3.7 g/t Au and 0.7% Sb) from 196.0 metres
    - Including 10.4 metres @ 6.4 g/t AuEq (5.4 g/t Au and 1.0% Sb) from 203.0 metres
  - 0.2 metres @ 49.2 g/t AuEq (37.3 g/t Au and 12.0% Sb) from 207.0 metres and
  - 2.2 metres @ 19.2 g/t AuEq (15.8 g/t Au and 3.3% Sb) from 209.0 metres
- Diamond drillhole MDDSC013A, the most south-easterly hole at Apollo, intersected:
  - 5.3 metres @ 4.2 g/t AuEq (3.1 g/t Au and 1.1% Sb) from 111.1 metres
    - Including 0.6 metres @ 24.0 g/t AuEq (14.4 g/t Au and 9.6% Sb) from 111.1 metres
    - Including 0.6 metres @ 8.4 g/t AuEq (8.4 g/t Au and 0.01% Sb) from 113.5 metres.
- Diamond drillhole MDDSC015A, the deepest hole reported to date at the Apollo mine area, intersected (lower cut of 0.3 g/t Au cut over 2.0 metre width, with higher grades reported with a 5 g/t Au cut over 1.0 metre):
  - 4.6 metres @ 1.7 g/t AuEq (1.6 g/t Au and 0.1% Sb) from 222 metres; and
  - 15.3 metres @ 4.3 g/t AuEq (2.2 g/t Au and 2.1% Sb) from 231.4 metres
    - Including 0.8 metres @ 7.8 g/t AuEq (1.1 g/t Au and 6.8% Sb) from 232.3 metres
    - Including 0.5 metres @ 21.9 g/t AuEq (6.6 g/t Au and 15.3% Sb) from 238.1 metres



SOUTHERN CROSS  
GOLD

- Including 2.8 metres @ 11.1 g/t AuEq (5.7 g/t Au and 5.5% Sb) from 241.3 metres
  - Including 0.5 metres @ 10.8 g/t AuEq (10.1 g/t Au and 0.7% Sb) from 245.6 metres.
- MDDSC016A drilled 80 metres below VCRC007 (28 metres @ 3.2 g/t AuEq (3.0 g/t Au 0.3% Sb) intersected 77.6 metres @ 1.0 g/t AuEq (0.8 g/t Au and 0.2% Sb) (no lower cut) from 109.4 metres at the Apollo Mine area. Higher grade zones included:
    - 23.5 metres @ 1.9 g/t AuEq (1.6 g/t Au and 0.3% Sb) from 109.4 metres including:
    - 0.4 metres @ 56.8 g/t AuEq (53.3 g/t Au and 3.5% Sb) from 124.7 metres
    - 11.9 metres @ 1.2 g/t AuEq (0.7 g/t Au and 0.5% Sb) from 157.5 metres including:
    - 0.4 metres @ 12.9 g/t AuEq (0.9 g/t Au and 12.1% Sb) from 167.8 metres
    - 7.6 metres @ 2.4 g/t AuEq (2.2 g/t Au and 0.2% Sb) from 174.6 metres
  - MDDSC017, also at Apollo, is interpreted to have clipped the southern edge of the broader north-dipping mineralised zone 50 metres below MDDSC0015A (15.3 metres @ 4.3 g/t AuEq (2.2 g/t Au and 2.1% Sb) from 231.4 metres). The hole intersected:
    - 0.7 metres @ 14.1 g/t AuEq (14.1 g/t Au and 0.0% Sb) from 242.7 metres
  - MDDSC018 Mawson's first drill hole to test immediately below the Golden Dyke workings, intersected:
    - 12.2 metres @ 1.8 g/t AuEq (1.6 g/t Au and 0.2% Sb) from 199.8 metres;
      - Including 1.0 metre @ 13.5 g/t AuEq (12.5 g/t Au and 1.1% Sb) from 202.3 metres
    - Golden Dyke is located 600 metres west of the Apollo Mine. The Golden Dyke workings consisted of 20 individual stopes over 200 metres strike, down to 180 metres vertical depth. It is estimated a total of 15,000 ounces @ 12.6 g/t Au were extracted during the late 1800s to the early 1900s. Free gold recoveries were reported to be around 50% due to metallurgical complications (at the time) with stibnite.
  - MDDSC019 also at Golden Dyke, drilled 95 metres ENE of MDDSC018 intersected:
    - 1.0 metre @ 3.5 g/t AuEq (3.5 g/t Au and 0.1% Sb) from 52.0 metres;
    - 4.0 metres @ 1.0 g/t AuEq 0.9 g/t Au and 0.0% Sb) from 159.0 metres
  - MDDSC020 testing below the Rising Sun Mine, located 240 metres ENE from the Golden Dyke area intersected:
    - 15.0 metres @ 1.8 g/t AuEq (1.3 g/t Au and 0.4% Sb) from 207.0 metres including:
    - 1.0 metre @ 8.7 g/t AuEq (8.4 g/t Au and 0.2% Sb) from 207.0 metres;
    - 0.7 metres @ 6.2 g/t AuEq (2.8 g/t Au and 3.5% Sb) from 216.7 metres
    - Drilled 120 metres below MDDSC003 (6 metres @ 3.0 g/t AuEq (1.6 g/t Au and 1.4% Sb) and historic drill hole VCRC022 (19 metres @ 6.8 g/t AuEq (6.5 g/t Au and 0.3% Sb)
  - MDDSC021 drilled 90 metres below MDDSC020 and the deepest intersection drilled to date at on the project intersected:
    - 21.7 metres @ 5.6 g/t AuEq (4.7 g/t Au and 1.0% Sb) from 274.7 metres including:
    - 0.4 metres @ 165.4 g/t AuEq (145.5 g/t Au and 20.0% Sb) from 277.0 metres;
    - 1.1 metres @ 26.7 g/t AuEq (19.2 g/t Au and 7.5% Sb) from 280.4 metres;
    - 0.4 metres @ 17.9 g/t AuEq (14.7 g/t Au and 3.3% Sb) from 287.4 metres
    - Located 600 metres west from the channel samples (14.0 metres at 11.5 g/t gold and 0.3% antimony including 8.0 metres @ 19.6 g/t gold and 0.4% antimony).
  - MDDSC025 is a large step-out, located 380 metres east of MDDSC021, the previous deepest intersection drilled at the project (21.7 metres @ 4.7 g/t Au and 1.0% Sb (5.6 g/t AuEq from 274.7 metres). MDDSC025 intersected:
    - 11.7 metres @ 12.4 g/t Au and 3.6% Sb (16.0 g/t AuEq) from 362.0 metres in hole MDDSC025, including:
    - 3.0 metres @ 41.4 g/t Au and 12.0% Sb (53.4 g/t AuEq) from 364.0 metres or 6.5 metres @ 20.6 g/t Au and 6.0% Sb (26.6 g/t AuEq) from 363.5 metres;
    - 0.5 metres @ 14.3 g/t Au and 4.4% Sb (18.7 g/t AuEq) from 370.8 metres;

Sunday Creek is open at depth and along strike and is considered a high value exploration project with affinity to the Fosterville Mine.



SXG has also performed trenching 200 metres east of the drilled area at Sunday Creek which intersected 14.0 metres at 11.5 g/t gold and 0.3% antimony (Trench 1) including 8.0 metres @ 19.6 g/t gold and 0.4% antimony and 2 metres @ 4.9 g/t gold and 0.2% antimony (Trench 2). Mineralisation remains open 10 kilometres to the east of these trenches, where historic mining was common, but no drilling has ever taken place.

SXG has acquired the option to acquire the freehold land at Sunday Creek during early 2022.

**WHROO JV** *Option to  
earn up to 70%*

## BACKGROUND AND DETAILS

The 14-kilometre long Whroo goldfield is one of the largest historic epizonal goldfields in Victoria and remains untested to depth. Alluvial gold mining commenced at Whroo during the initial gold boom of the 1850s and a settlement was quickly established. Significant alluvial workings are present throughout the field. Hard rock mining commenced in 1855. Whroo consists of the Balaclava Hill area which contains thirteen named reefs, while shallow workings extend the trend over 9 kilometres to the White Hills mining area. Production at Whroo is estimated to have been 40,000 oz of gold<sup>vi</sup>. At White Hills, 21 historic gold showings and mines occur within a larger alluvial gold field.

Over the last 10 months at Whroo, Mawson has completed a detailed LiDAR survey which extended the previously mapped Whroo historic mining field from 10 kilometres strike to 14 kilometres. GIS-based data analytics also identified 34,500 individual workings over 63 km<sup>2</sup> (~550 per km<sup>2</sup>) and classified the data as alluvial vs hard rock in character (Page 10). A gradient array IP geophysical survey was conducted 8.5 kilometres west of the Balaclava open pit at Doctors Gully over a 4 square kilometre area. Mawson also completed three reconnaissance diamond drill holes for 330.5 metres at Doctors Gully at the start of 2021, with better results including 1.0 metres @ 2.9 g/t gold from 45.3 metres in MDDDG001, 3.8 metres @ 0.7 g/t gold from 71.7 metres in MDDDG001 and 1.6 metres @ 1.9 g/t gold from 24.7 metres in MDDDG003. Gold distribution suggests a high degree of mobility and re-concentration in the weathered zone.

Mawson has commenced drilling two deep diamond holes under the Balaclava open pit, which extracted 23,600 oz gold during the 1800s. In the only test of gold mineralisation to moderate depth (110 metres vertically) along the entire Whroo goldfield, historic drilling by Newmont intersected 63 metres @ 0.35 g/t gold including 1.5 metre @ 6.1 g/t gold and 1.5 metres @ 5.3 g/t gold (Whroo1). The first drill hole, MDDBC001, is planned to intersect structurally-hosted gold within the pyritic “mine sandstone” 250 metres and 120 metres respectively vertically below the Balaclava pit and Whroo1 (Page 10);

In October 2020 SXG executed an Amended and Restated Option Agreement (the “Amended and Restated Agreement” or “Whroo JV”) with Nagambie Resources Limited (NAG:ASX) (“Nagambie”) over 199 square kilometres of exploration tenure in the Victorian Goldfields of Australia. This replaced an original agreement, the Doctors Gully Option and Joint Venture signed on March 23, 2020 between SXG and Nagambie, and has now been substantially amended and restated as the Whroo JV. The Whroo JV substantially modifies the original agreement from 4 square kilometres to 199 square kilometres of mineral tenure and includes the 14-kilometre-long Whroo gold mineralised trend. The Whroo JV consists of four granted exploration licences: EL6158 (Rushworth, 46 sq km), EL6212 (Reedy Lake, 17 sq km), EL7205 (Angustown, 69 sq km), and EL7209 (Goulburn West, 34 sq km), two exploration licence applications ELA7237 (Kirwans North 1, 20 sq km) and ELA7238 (Kirwans North 2, 9 sq km); and one granted retention licence RL2019 (Doctors Gully, 4 sq km).

SXG has the option to earn an up to 70% joint venture interest in the Whroo JV by incurring the following exploration expenditures: \$400,000 in the first year (effective date December 2, 2020) and an additional \$500,000 in year 2 to earn 25%, an additional \$1,600,000 in years 3 and 4 to earn 60% (cumulative \$2.5M over 4 years). At this point, either party may provide notice to the other to form a joint venture (“JV”) under which the percentage ownership of each of Nagambie and SXG will be 40% and 60%, respectively. If Nagambie elects not to form a JV at 40% of the Whroo JV, SXG then has the option, but not the obligation, to invest a further \$1.5M of exploration expenditures over 2 years (cumulative \$4.0M in Years 1 to 6), to earn a 70% interest in the Whroo JV. Once SXG earns 70% a joint venture between the parties will be automatically formed. Nagambie may then contribute its 30% ownership with further exploration expenditures or, if it chooses to not contribute, dilute its interest. Should Nagambie’s interest be reduced to less than 5.0%, it will be deemed to have forfeited its interest in the joint venture to SXG in exchange for a 1.5% net smelter return royalty (“NSR”) on gold revenue. Should Nagambie be granted the NSR, SXG will have the right to acquire the Whroo JV NSR for \$4,000,000.

SXG made an initial cash payment of \$100,000 to Nagambie and will have subsequent payments of \$50,000 on the second, third and fourth anniversary dates of Nagambie's shareholder approval. SXG has the option to accelerate its spending to achieve its various percentage ownership interest positions in the Whroo JV Property.



**REDCASTLE JV** *Option to  
earn up to 70%*

## BACKGROUND AND DETAILS

Redcastle is located in central Victoria 45 kilometres east of Bendigo and 18 kilometres north of Heathcote. Redcastle was discovered in 1859 and named the Balmoral Diggings, later renamed 'Redcastle'. Underground mining continued until 1902.

Redcastle is a shallow orogenic (or epizonal) Fosterville-style historic high-grade field held within a tenure area of 51 square kilometres. It is located 2 kilometres along strike from Mandalay Resources' Costerfield mine exploration tenements and on a parallel north-south structure, 24 kilometres east of Kirkland Lake Gold's Fosterville mine – two of the world's highest grade gold mines. The northern margin of the claim is surrounded by a Newmont Corporation exploration licence.

It is one of the most significant historic epizonal high-grade goldfields in Victoria, Australia. First discovered in 1859, it is an extremely high-grade epizonal gold system with visible gold in quartz (+/- stibnite) association. Extremely high gold grades were mined over a 4.5 x 7 square kilometre area containing over 24 historic mining areas.:

SXG is undertaking a twofold approach at Redcastle. Initially the Company is systematically collecting "tenement scale" data to understand the broad mineral system and allow it to also explore beneath the significant alluvial cover. This includes ground magnetics, gravity and gradient array induced polarisation ("IP") to test the entire Redcastle mineralizing system. Secondly the company has completed a stage one diamond drilling to test beneath the high-grade old mines and 15 diamond drill holes (MDDRE001-015) for 2,774.8 m have been completed at the Redcastle Project by SXG. The combination of the stage one drilling data with the "tenement scale" data (geophysics, geological reconnaissance and detailed analysis of historic mine records) will aid in the development of new drill targets.

**MT ISA 100%**

## BACKGROUND AND DETAILS

SXG has staked through its 100% owned Australian subsidiary, Mawson Queensland Pty Ltd, five exploration prospecting licences ("EPMs") for 785km<sup>2</sup> of granted exploration licences in the Cloncurry district of Mt Isa, over a combined 60 kilometres of strike, and is surrounded by South32 Ltd and Sandfire Resources Ltd.

SXG received \$200,000 funding for the F11 drill program under the Queensland Government's Collaborative Exploration Initiative (CEI). SXG completed its first drill hole (MQDDH001) to 849.7 metres with basement rocks intersected at 318 metres. Based on results of SXG's gravity and magnetic surveys, the target source for drilling was modelled below the basement-cover contact within amphibolite facies metamorphic rocks to test a coherent and large undrilled multi-point 1.95 mgal residual gravity anomaly with an adjacent magnetic high (the F11 anomaly). The anomaly has a shallow peak of 700 metres depth and average depth of 1,000-1,500 metres. Iron oxide copper-gold (IOCG) and Broken Hill-type silver-lead-zinc systems are the main target styles for this hole and regionally within SXG's Mount Isa Southeast Project. The lower part of the drill hole below 750 metres contains most of the sulphides of interest, in particular pyrrhotite-rich zones with veinlets and disseminated chalcopyrite hosted by potassic-altered metasediments and mafic rocks. It is within these zones that the anomalous copper, arsenic, silver and zinc occur. From 750 to 838.8 metres downhole, 20 selective samples, representing 12.7 metres of drill core assayed from 61 ppm – 8,660 ppm and averaged 1,202 ppm copper, 0.02 ppm – 0.70 ppm and averaged 0.27 ppm silver and 31.7 ppm – 237 ppm and averaged 109 ppm zinc. Gold results were low with a maximum value of 20 ppb. The increase in copper and associated elements lower in the drill hole and the strong correlation with the emplacement and sulphidic alteration of pegmatites is an encouraging sign for development of further mineralisation in the area. Texturally late sulphide enrichment and/or mobilisation is a feature of mineralisation styles in the Eastern Succession, largely driven by fluids derived from the Williams-Naraku igneous suite.

Prior to drilling, SXG flew 100 metre spaced airborne magnetics and completed a 1km x 1km ground-based gravity over its entire Isa SE holding. This program was funded in part by a \$100,000 grant from the Qld Government Collaborative Exploration Initiative, which backs private investment in under-explored parts of north-west Queensland by co-funding particularly innovative projects.



A project in conjunction with James Cook University is being undertaken to compare MQDDH001 results with other Mount Isa Eastern Succession mineral systems. These results will be integrated with SXG's (2019) gravity and magnetic datasets across the project to develop new drill targets.

## NAGAMBIE

## STRATEGIC 10% EQUITY INVESTMENT

Mawson Gold entered into a subscription agreement with Nagambie dated March 24, 2020, under which Mawson Gold subscribed for 50.0 million ordinary shares of Nagambie (the "Nagambie Shares") which are currently being transferred to Southern Cross Gold and which represent a 10.0% shareholding in Nagambie.

Mawson Gold also secured a right of first refusal to take up or match proposals being considered over a large 3,300 square kilometre tenement package held by Nagambie, which right is to be assigned or novated to Southern Cross Gold as part of the spin out of Australian assets and rights. This package includes the Nagambie Gold Mine and will provide Southern Cross Gold with a pipeline of potential new projects.

Nagambie are also currently constructing CIL 180,000 tpa gold processing plant, which provide potential access for toll treatment. This is a potential game changer for gold discoveries in central Victoria.



RISKS: The business faces risks common to and intrinsic in early stage mining exploration including but not limited to:

- expected mineralisation may not be present or that it may be too small to warrant commercial exploitation;
- non-grant or non-renewal of tenements;
- co-operational risks including weather, access, plant and contractor availability, plant breakdown and unanticipated metallurgical problems which may affect extraction costs;
- commodity prices and exchange rates;
- Regulatory changes.

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The Company may pay an adviser commission on a portion of the pre-IPO capital raising of no more than 6% cash.

Directors and Insiders of Mawson and SXG may participate in the Offer.

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The proposed IPO timetable and amounts to be raised and valuations are subject to change. Mawson intends to distribute the ordinary shares of Southern Cross it holds after ASX listing on a pro rata basis to the Mawson shareholders by way of a plan of arrangement. The business plan and any proposals remain subject to Mawson shareholder, court, TSX, ASX and regulatory approvals.

## END NOTES



<sup>i</sup> <https://e79resources.com/news-release/e79-resources-bonanza-drill-results-at-the-happy-valley-prospect-victoria-australia/>

<sup>ii</sup> <https://mawsongold.com/news/news-releases/2012/mawson-drills-6-metres-at-617-gt-gold-uncut-at-rompas-finland>

<sup>iii</sup> <https://mawsongold.com/news/news-releases/2021/mawson-announces-over-1-million-ounces-gold-equivalent-at-rajapalot-finland-gold-ounces-up-47-gold-grade-up-19>

<sup>iv</sup> The Company is in the process of converting to a public company as part of preparing for the proposed listing on the Australian Securities Exchange (ASX).

<sup>v</sup> <http://crclme.org.au/RegExpOre/Rushworth.pdf>

<sup>vi</sup> <http://crclme.org.au/RegExpOre/Rushworth.pdf>

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### Independent Geologist

Terry Lees



*The Southern Cross branding embodies important characteristics of the new entity. The blue lettering acknowledges the state colour of Victoria as well as Mawson which incubated the business, and the gold colour recognizes the Victorian goldfields. In the name we sought to distinguish our Southern Hemisphere operations from our Nordic operations. The Southern Cross is a constellation also represented on the Australian flag which provides a strong cultural significance to all Australians. The main 7-pointed star represents the unity of the six states and the territories of the Commonwealth of Australia and the addition of a miner's pickaxe within the body of the star reflects the central place that mineral exploration has in Australia and, of course, to Southern Cross.*