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Southern Cross walks its own path to gold-antimony dominance: Fitzy

By Barry Fitzgerald, 22 April 2026

SX2's Canadian heritage means it isn't following the ASX resource estimate playbook

22 April 2026

Southern Cross Gold has followed its own pathway at its Sunday Creek gold-antimony project, located all of 60km north of Melbourne, just off the Hume Highway heading out of town.

Now sporting a A$3 billion market cap, the ASX and Toronto-listed SX2 acquired the historica; project in March 2020 and has been drilling away ever since.

It has 10 rigs on site now and is well into a $60 million drilling campaign. By the end of the year, it will have more than 20 rigs whirring once a 1km exploration decline costing $30 million is completed.

So, confidence is obviously running high at the company and within its particular shareholder base – including the legendary Pierre Lassonde – that Sunday Creek is shaping up as something special.

But, more than six years after the acquisition of the project and despite early success with shallow and increasingly deeper high-grade hits, SX2 has yet to report a maiden mineral resource estimate.

It is unusual.

De Grey Mining reported a maiden 6.8 million ounce gold resource at Hemi in the Pilbara 18 months after its discovery. Gold Road Resources came up with a maiden resource for the Gruyere discovery east of Laverton 10 months after its discovery.

Further down the totem pole in gold discoveries, the race is generally on for ASX companies involved to get a resource out as soon as possible, perhaps starting out at a meaningful 200,000oz, then targeting 500,000oz, and with some good fortune, something beyond 1Moz.

It is a progression that leads to the company being re-rated higher, as long as the resource does not disappoint.

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The Canadian approach

But as noted, SX2 has gone about things differently, due in part to its Canadian heritage (its predecessor company came to the ASX via a spin-off by Canada's Mawson Gold in May 2022).

Canadians approach value creation at the exploration stage somewhat differently from their Australian counterparts.

It boils down to capital management. Rather than commit precious funds to working up a maiden resource in quick fashion, the emphasis in Canada is on demonstrating how big a discovery can be and, at every point along the pathway, demonstrating how it hangs together.

It can be summed up by suggesting the Canadians don't see the point, from a per share price viewpoint, of bothering to come to the party without something that's going to grab the market's attention in terms of scale.

While there is no resource for Sunday Creek just yet, SX2 did point to where things were headed in March last year with the release of an exploration target of 2.2-3.2Moz on a gold equivalent basis grading 8.3-10.6 grams per tonne.

The company has flagged that the target will be updated in about three months. Expectations are that the target will be increased in a major way. It is due to be followed by a maiden resource in 2027.

Lack of resource no barrier

That SX2's market cap has grown to more than $3 billion indicates that, while it is unusual in the Australian sense, the lack of a resource is not a barrier to commanding a big market cap.

Macquarie is now of that view, having initiated coverage of the stock this week, starting out with a 12-month price target of $12.50 a share.

The market took notice that a big-name broker had an "outperform" recommendation on the company and pushed SX2's shares 6.5% higher to $11.45 in an otherwise quiet day for the gold stocks on Tuesday.

Macquarie said Sunday Creek has the potential to become a 185,000 ounce per annum gold equivalent producer for an initial 13 years with attractive metrics – thanks to its high-grade, its large scale, and its solid by-product revenue from the critical metal antimony (18%).

Antimony advantage

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The antimony exposure could allow SX2 to accelerate permitting timeframes (normally an 18-month process) as well as provide an attractive low-cost capital funding solution, Macquarie said.

It said that should SX2 continue to have exploration success at Sunday Creek (as highlighted by recent 460m depth extensions to the mineralisation), there would be upside to annual production potential to 368,000ozpa AuEq over a 15-year mine life.

Macquarie forecasts first production from a $500 million development in the second half of CY2029.

Macquarie's view

On the bank's figures, it would be an extremely low-cost producer with average all-in sustaining costs of $207/oz, with by-product credits from antimony production helping to lower the cost base.

"Based on our forecasts, the mine could be capable of generating about $800 million a year in EBITDA," Macquarie wrote.

"In a spot price scenario of US$4750/oz gold and $26,000/t antimony, our annual EBITDA would increase to A$1.3 billion a year,'' Macquarie said.

"Based on our forecasts, the upside scenario (368,000oz gold equivalent) could be capable of generating about A$1.7 billion a year."

They are impressive figures in an ASX gold context, prompting Macquarie to ponder if a cashed-up producer could look to make Sunday Creek its own.

"In a landscape where gold producers have strong balance sheets but are lacking growth, Sunday Creek has many attractive attributes," Macquarie said.

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ABOUT SOUTHERN CROSS GOLD CONSOLIDATED

Southern Cross Gold Consolidated Ltd (SXGC) is listed on the Toronto Stock Exchange (TSX) and has CHESS Depositary Interests (CDIs) listed on the Australian Securities Exchange (ASX).

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We explore for gold and antimony in the Victorian Goldfields. Our 100% owned flagship project at Sunday Creek is the best new grassroots discovery in Australia with a globally leading high-grade hit rate for this stage of the project's development.

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Our results demonstrate high-grades and wide zones of gold and antimony over an 11km mineralised trend. As at February 17, 2026, the project has delivered a total of seventy nine (79) composite intersections exceeding 100 g/t Au, sixty six (66) composite intersections between 50-100 g/t Au and ninety seven (97) individual intersections exceeding 10% Sb by applying a 1 m (down hole length) @ 5 g/t AuEq lower cut.

Our corporate objectives are to discover and develop large, long-life, sustainable assets which create value for shareholders and all stakeholders in the community.

The team has made numerous discoveries and has demonstrated success in advancing these towards mining.

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Forecasts in this presentation are predictive in character, based on numerous assumptions including the forecasted outlook for key variables and may be effected by various factors including inaccurate assumptions, risks and unforeseen events.

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