

NEWS RELEASE

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OCTOBER 8, 2026

First Quarter Ended August 31, 2026 Financial Statements and Management's Discussion & Analysis

Southern Cross Gold Consolidated Ltd.

ARBN 681 229 854

Please find attached for release to the market, Southern Cross Gold Consolidated Ltd.'s First Quarter Ended August 31, 2026, Financial Statements and Management's Discussion and Analysis, prepared in accordance with National Instrument 51-102 Continuous Disclosure Obligations and NI 51-102F1 Management's Discussion and Analysis, issued by the Canadian Securities Administrators, for lodgment on the Canadian System for Electronic Document Analysis and Retrieval + (SEDAR +).

- Ends -

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

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SOUTHERN CROSS GOLD CONSOLIDATED LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
AUGUST 31, 2026

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	August 31, 2026 \$	May 31, 2026 \$
ASSETS			
Current assets			
Cash and cash equivalents		84,014,470	119,129,501
GST receivable		672,534	657,113
Prepaid expenses and other assets		<u>1,239,189</u>	<u>1,272,897</u>
Total current assets		<u>85,926,193</u>	<u>121,059,511</u>
Non-current assets			
Investments	4	549,214	577,410
Property, plant and equipment	5	46,357,495	31,673,406
Exploration and evaluation assets	6	140,357,746	119,617,908
Right of use assets	7	810,027	733,022
Bonds		<u>1,978,101</u>	<u>1,900,824</u>
Total non-current assets		<u>190,052,583</u>	<u>154,502,570</u>
TOTAL ASSETS		<u>275,978,776</u>	<u>275,562,081</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	10,068,776	6,363,932
Current portion of lease liabilities	7	<u>297,822</u>	<u>197,701</u>
Total current liabilities		<u>10,366,598</u>	<u>6,561,633</u>
Non-current liabilities			
Non-current portion of lease liabilities	7	542,963	551,949
Provision for site restoration	10	<u>1,575,240</u>	<u>1,553,313</u>
Total non-current liabilities		<u>2,118,203</u>	<u>2,105,262</u>
TOTAL LIABILITIES		<u>12,484,801</u>	<u>8,666,895</u>
SHAREHOLDERS' EQUITY			
Share capital	9	670,576,031	670,277,562
Share-based payments reserve		10,237,258	10,420,291
Foreign currency translation reserve		21,412,263	20,573,142
Deficit		<u>(438,731,577)</u>	<u>(434,375,809)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>263,493,975</u>	<u>266,895,186</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>275,978,776</u>	<u>275,562,081</u>

Nature of Operations - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on October 7, 2026 and are signed on its behalf by:

/s/ David Henstridge
David Henstridge
Director

/s/ Michael Hudson
Michael Hudson
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS
AND COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended	
		August 31, 2026 \$	August 31, 2025 \$
Expenses			
Accretion of interest on lease liabilities	7	10,648	17,962
Administration and corporate costs		3,210,141	1,122,476
Depreciation and amortization	5, 7	207,750	87,270
Accretion on site restoration provision	10	18,648	-
Salaries and benefits		1,731,922	564,098
Share-based compensation	9(c)(ii)	115,436	161,028
		<u>5,294,545</u>	<u>1,952,834</u>
Loss before other items		<u>(5,294,545)</u>	<u>(1,952,834)</u>
Other items			
Interest income		965,925	1,142,650
Other income		-	13,100
Foreign exchange		1,048	(3,366)
Unrealized loss on investments	4(b)	<u>(28,196)</u>	<u>(125,062)</u>
		<u>938,777</u>	<u>1,027,322</u>
Net loss for the period		<u>(4,355,768)</u>	<u>(925,512)</u>
Other comprehensive income			
Currency translation adjustment		<u>839,121</u>	<u>2,845,009</u>
Comprehensive (loss) income for the period		<u>(3,516,647)</u>	<u>1,919,497</u>
Basic and diluted loss per common share		<u>\$(0.02)</u>	<u>\$(0.00)</u>
Basic and diluted weighted average number of common shares outstanding		<u>269,438,889</u>	<u>258,165,398</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

Three Months Ended August 31, 2026						
	Share Capital		Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$				
Balance at May 31, 2026	269,346,976	670,277,562	10,420,291	20,573,142	(434,375,809)	266,895,186
Common shares issued for:						
- share options	236,227	-	-	-	-	-
- RSUs	70,359	-	-	-	-	-
Transfer on exercise of:						
- share options	-	55,114	(55,114)	-	-	-
- RSUs	-	243,355	(243,355)	-	-	-
Share-based compensation:						
- RSUs	-	-	115,436	-	-	115,436
Currency translation adjustment	-	-	-	839,121	-	839,121
Net loss for the period	-	-	-	-	(4,355,768)	(4,355,768)
Balance at August 31, 2026	269,653,562	670,576,031	10,237,258	21,412,263	(438,731,577)	263,493,975

Three Months Ended August 31, 2025						
	Share Capital		Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$				
Balance at May 31, 2025	258,041,648	658,153,333	13,973,409	(2,086,628)	(428,899,997)	241,140,117
Common shares issued for:						
- lead manager options	400,000	310,236	-	-	-	310,236
- RSUs	62,500	-	-	-	-	-
Transfer on exercise of:						
- lead manager options	-	162,828	(162,828)	-	-	-
- RSUs	-	122,990	(122,990)	-	-	-
Share-based compensation:						
- RSUs	-	-	161,028	-	-	161,028
Currency translation adjustment	-	-	-	2,845,009	-	2,845,009
Net loss for the period	-	-	-	-	(925,512)	(925,512)
Balance at August 31, 2025	258,504,148	658,749,387	13,848,619	758,381	(429,825,509)	243,530,878

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended	
	August 31, 2026 \$	August 31, 2025 \$
Operating activities		
Net loss for the period	(4,355,768)	(925,512)
Adjustments for:		
Depreciation and amortization	207,750	87,270
Foreign exchange	-	1,325,410
Share-based compensation	115,436	161,028
Accretion of interest on lease liabilities	10,648	17,962
Accretion on site restoration provision	18,648	-
Unrealized loss on investments	28,196	125,062
Changes in non-cash working capital items:		
Amount receivable	-	76,343
GST receivable	(14,289)	(262,675)
Prepaid expenses and other assets	(292,366)	(435,664)
Accounts payable and accrued liabilities	<u>(1,518,532)</u>	<u>(1,237,184)</u>
Net cash used in operating activities	<u>(5,800,277)</u>	<u>(1,067,960)</u>
Investing activities		
Expenditures on exploration and evaluation assets	(15,157,076)	(5,545,149)
Additions to property, plant and equipment	(14,166,879)	(4,325,465)
Additions to bonds	<u>(72,873)</u>	<u>(43,049)</u>
Net cash used in investing activities	<u>(29,396,828)</u>	<u>(9,913,663)</u>
Financing activities		
Issuance of common shares	-	310,236
Payments on lease liabilities	<u>(85,634)</u>	<u>(55,639)</u>
Net cash (used in) provided by financing activities	<u>(85,634)</u>	<u>254,597</u>
Effect of exchange rate changes on cash	<u>167,708</u>	<u>694,992</u>
Net change in cash and cash equivalents	<u>(35,115,031)</u>	<u>(10,032,034)</u>
Cash and cash equivalents at beginning of period	<u>119,129,501</u>	<u>151,212,676</u>
Cash and cash equivalents at end of period	<u>84,014,470</u>	<u>141,180,642</u>

Supplemental cash flow information - Note 13

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2026
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

Southern Cross Gold Consolidated Ltd. (the “Company”) was incorporated on March 10, 2004 under the Company Act (British Columbia) and is the ultimate parent company of the Group. The Company’s common shares trade on the Toronto Stock Exchange (“TSX”) under the symbol “SXGC”, the Australian Securities Exchange (“ASX”) under the symbol “SX2”, on the OTCQX under the symbol “SXGCF” and on the Frankfurt Exchange under the symbol MV3.F. The Company’s executive office is located at Suite 4.02, 454 Collins Street, Melbourne, Victoria, 3000, Australia.

The Company is a resource company engaged in the acquisition, exploration and development of mineral interests in Australia. As at August 31, 2026 the Company’s flagship mineral property is considered to be in the advanced exploration and pre-development stage. The Company has not earned any production revenue. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The Company is conducting drilling on its flagship property with the objective of supporting an initial mineral resource estimate. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

As at August 31, 2026 the Company had working capital of \$75,559,595 and management considers the Company has adequate resources to maintain its core operations, conduct planned exploration and development programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Basis of Measurement

The Company’s condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

Details of the Group

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at August 31, 2026 the significant subsidiaries of the Company are Southern Cross Gold Pty Ltd. (“SXG AUS”), its wholly-owned Australian subsidiary, and SXG AUS’ subsidiaries, all incorporated in Australia and 100% owned.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2026
(Unaudited - Expressed in Canadian Dollars)

3. Material Accounting Policies

These condensed consolidated interim financial statements have been prepared on a basis consistent with the material accounting policies disclosed in the consolidated financial statements for the year ended May 31, 2026. Accordingly, they should be read in conjunction with the consolidated financial statements for the year ended May 31, 2026.

Accounting Standards and Interpretations Issued but Not Yet Effective

IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements*, aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is assessing the impact of adoption of IFRS 18 and is working to identify all impacts the changes will have on the consolidated financial statements.

4. Investments

As at August 31, 2026				
	Number	Cost \$	Unrealized Loss \$	Carrying Value \$
Common shares				
Nagambie Resources Limited ("Nagambie")	53,361,046	1,768,741	(1,238,652)	530,089
Kingsmen Resources Limited ("Kingsmen")	18,750	45,000	(25,875)	19,125
		<u>1,813,741</u>	<u>(1,264,527)</u>	<u>549,214</u>
As at May 31, 2026				
	Number	Cost \$	Unrealized Loss \$	Carrying Value \$
Common shares				
Nagambie	53,361,046	1,768,741	(1,213,269)	555,472
Kingsmen	18,750	45,000	(23,062)	21,938
		<u>1,813,741</u>	<u>(1,236,331)</u>	<u>577,410</u>

- (a) Pursuant to a subscription agreement dated March 24, 2020 the Company subscribed for 50,000,000 ordinary shares of Nagambie (the "Nagambie Shares"). As consideration for the acquisition of the Nagambie Shares the Company issued Nagambie 2,681,868 common shares of the Company, at a fair value of \$1,572,500. As long as the Company continues to hold the Nagambie Shares it maintains a right of refusal to take up or match proposals over tenements held by Nagambie over approximately 718 square kilometres.

The Company subsequently purchased an additional 3,361,046 ordinary shares of Nagambie for \$196,241 through open-market purchases.

- (b) The carrying values of the investments were determined using quoted market values. During the three months ended August 31, 2026 the Company recorded an unrealized loss of \$28,196 (2025 - \$125,062) on its investments held.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2026
(Unaudited - Expressed in Canadian Dollars)

5. Property, Plant and Equipment

	Land \$	Buildings \$	Office and Field Equipment \$	Leasehold and Property Improvements \$	Vehicles \$	Total \$
Cost:						
Balance at May 31, 2025	16,173,436	-	346,912	-	243,494	16,763,842
Additions	7,789,851	2,260,587	1,668,859	528,312	364,450	12,612,059
Disposals	-	-	-	-	(5,549)	(5,549)
Foreign exchange movement	<u>2,463,754</u>	<u>149,506</u>	<u>152,167</u>	<u>34,940</u>	<u>53,073</u>	<u>2,853,440</u>
Balance at May 31, 2026	26,427,041	2,410,093	2,167,938	563,252	655,468	32,223,792
Additions	11,842,589	2,036,579	538,967	-	158,523	14,576,658
Disposals	-	-	-	(3,887)	-	(3,887)
Transfers and re-classifications	47,530	-	(18,168)	-	18,168	47,530
Foreign exchange movement	<u>146,195</u>	<u>20,771</u>	<u>12,752</u>	<u>1,106</u>	<u>3,437</u>	<u>184,261</u>
Balance at August 31, 2026	<u>38,463,355</u>	<u>4,467,443</u>	<u>2,701,489</u>	<u>560,471</u>	<u>835,596</u>	<u>47,028,354</u>
Accumulated Depreciation:						
Balance at May 31, 2025	-	-	(100,082)	-	(124,008)	(224,090)
Depreciation	-	(69,517)	(147,683)	(5,747)	(62,203)	(285,150)
Disposals	-	-	-	-	4,421	4,421
Foreign exchange movement	<u>-</u>	<u>(4,598)</u>	<u>(25,540)</u>	<u>(380)</u>	<u>(15,049)</u>	<u>(45,567)</u>
Balance at May 31, 2026	-	(74,115)	(273,305)	(6,127)	(196,839)	(550,386)
Depreciation	-	(23,233)	(61,597)	(4,913)	(28,735)	(118,478)
Foreign exchange movement	<u>-</u>	<u>(331)</u>	<u>(991)</u>	<u>(51)</u>	<u>(622)</u>	<u>(1,995)</u>
Balance at August 31, 2026	<u>-</u>	<u>(97,679)</u>	<u>(335,893)</u>	<u>(11,091)</u>	<u>(226,196)</u>	<u>(670,859)</u>
Carrying Value:						
Balance at May 31, 2026	<u>26,427,041</u>	<u>2,335,978</u>	<u>1,894,633</u>	<u>557,125</u>	<u>458,629</u>	<u>31,673,406</u>
Balance at August 31, 2026	<u>38,463,355</u>	<u>4,369,764</u>	<u>2,365,596</u>	<u>549,380</u>	<u>609,400</u>	<u>46,357,495</u>

- (i) In December 2024 SXG AUS entered into an agreement and acquired a special purpose company holding agricultural land situated over the Sunday Creek Project area and cash of \$16,937,494 (AUD \$18,750,000) for which SXG AUS issued 22,088,670 SXG AUS ordinary shares with a fair value of \$68,839,315 (AUD \$76,205,912). SXG AUS also paid \$1,345,307 (AUD \$1,491,424) for legal and associated costs relating to the acquisition, for a total consideration of \$70,184,622 (the "Land Purchase Consideration"). The acquisition of the special purpose company did not meet the criteria of a business combination under IFRS 3.

The Land Purchase Consideration has been allocated as follows:

	\$
Cash	16,937,494
Land, at appraised value	11,291,250
Exploration and evaluation assets	<u>41,955,878</u>
	<u>70,184,622</u>

- (ii) During the three months ended August 31, 2026 the Company purchased agricultural properties situated over the Sunday Creek Project area for total cash consideration of \$13,879,168 (fiscal 2026 - \$7,789,851). All of the purchase consideration has been attributed to land and building costs.

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2026
(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

		As at August 31, 2026			
		Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	Total \$
Sunday Creek		42,754,936	81,205,013	13,462,024	137,421,973
Redcastle		284,794	2,613,327	37,652	2,935,773
		<u>43,039,730</u>	<u>83,818,340</u>	<u>13,499,676</u>	<u>140,357,746</u>
		As at May 31, 2026			
		Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	Total \$
Sunday Creek		42,754,936	60,872,026	13,067,277	116,694,239
Redcastle		284,794	2,607,169	31,706	2,923,669
		<u>43,039,730</u>	<u>63,479,195</u>	<u>13,098,983</u>	<u>119,617,908</u>

(i) *Sunday Creek Project*

Pursuant to an acquisition agreement, dated March 24, 2020 the Company acquired 100% of the shares in Clonbinane Goldfield Pty Ltd ("Clonbinane") from Nagambie. As consideration the Company paid Nagambie a total of \$454,480 (AUD \$528,880) cash, issued 315,514 common shares of the Company at a fair value of \$185,000 and incurred legal fees of \$35,786. Clonbinane's sole asset was the Sunday Creek Project.

During fiscal 2025 the Company capitalized \$41,955,878 to the Sunday Creek Project, as described in Note 5(i).

(ii) *Redcastle Property*

On March 24, 2020 the Company entered into an option and joint venture agreement pursuant to which the Company had the right to earn up to a 70% joint venture interest in Nagambie's Redcastle gold property located in Victoria, Australia by incurring AUD \$1,000,000 of exploration expenditures on the Redcastle property. In June 2021 the Company notified Nagambie that the Company had earned a 70% interest in the Redcastle gold property. On October 24, 2024 Nagambie and the Company entered into a purchase and sale agreement whereby the Company paid \$228,550 (AUD \$250,000) and acquired Nagambie's remaining 30% joint venture interest.

(iii) *Commitments*

Australia tenement spending commitments are subject to renegotiation when an application for a mining lease and/or renewal of exploration permits is made or at other times and are subject to whether the Company decides to continue a tenement's rights until its expiry. The amounts detailed below are the minimum expenditures required to maintain ownership of the current tenements held as at August 31, 2026.

	AUD \$
Within one year	16,418,169
One to five years	<u>8,028,165</u>
Total	<u>24,446,334</u>

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2026
(Unaudited - Expressed in Canadian Dollars)

7. Right of Use Assets

	\$
Cost:	
Balance at May 31, 2025	1,543,743
Additions	156,305
Re-measurement	(671,365)
Foreign exchange movement	<u>151,924</u>
Balance at May 31, 2026	1,180,607
Additions	97,125
Re-measurement	67,086
Foreign exchange movement	<u>3,644</u>
Balance at August 31, 2026	<u>1,348,462</u>
Accumulated amortization:	
Balance at May 31, 2025	(280,126)
Amortization	(273,547)
Re-measurement	147,495
Foreign exchange movement	<u>(41,407)</u>
Balance at May 31, 2026	(447,585)
Amortization	(89,272)
Foreign exchange movement	<u>(1,578)</u>
Balance at August 31, 2026	<u>(538,435)</u>
Carrying value:	
Balance at May 31, 2026	<u>733,022</u>
Balance at August 31, 2026	<u>810,027</u>

The Company has lease contracts for office and warehouse premises.

Effective April 28, 2025 the Company entered into an office lease agreement with the family trust of the Company's Chief Executive Officer for a term of five years plus a three year renewal option, currently at AUD \$8,206 per month.

As at August 31, 2026 the lease liabilities have remaining lease terms of approximately three to eight years and were determined using an effective interest rate between 5% to 7%.

	Three Months Ended August 31,	
	2026	2025
	\$	\$
Balance, beginning of period	749,650	1,264,505
Additions	97,125	14,927
Adjustment to lease terms	67,086	-
Accretion of interest	10,648	17,962
Payments	(85,634)	(55,639)
Foreign exchange movement	<u>1,910</u>	<u>(13,555)</u>
Balance, end of period	<u>840,785</u>	<u>1,228,200</u>
Current portion of lease liabilities	297,822	224,993
Non-current portion of lease liabilities	<u>542,963</u>	<u>1,003,207</u>
Total lease liabilities	<u>840,785</u>	<u>1,228,200</u>

SOUTHERN CROSS GOLD CONSOLIDATED LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2026
(Unaudited - Expressed in Canadian Dollars)

7. Right of Use Assets (continued)

As at August 31, 2026 the total of future minimum lease payments under the leases are as follows:

	\$
Less than one year	327,307
Greater than one year	<u>613,855</u>
	<u>941,162</u>

8. Accounts Payable and Accrued Liabilities

	As at August 31, 2026 \$	As at May 31, 2026 \$
Trade creditors and accounts payable	4,766,435	4,702,302
Accruals and provisions	<u>5,302,341</u>	<u>1,661,630</u>
	<u>10,068,776</u>	<u>6,363,932</u>

9. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) *Equity Financings*

The Company did not conduct any equity financing during the three months ended August 31, 2026 or fiscal 2026.

(c) *Incentive Plans*

On November 17, 2025 the Company adopted a new omnibus equity incentive plan (the "Omnibus Plan"). The Omnibus Plan provides flexibility to the Company to grant equity-based incentive awards in the form of share options, restricted share units ("RSUs"), performance share units and deferred share units. The total number of common shares of the Company reserved for issuance granted under the Omnibus Plan and all other security-based compensation arrangements shall not exceed 10% of the issued and outstanding common shares from time to time.

(i) No share options were granted during the three months ended August 31, 2026 and 2025.

A summary of the Company's share options at August 31, 2026 and 2025 and the changes for the three months ended on those dates, is as follows:

	2026		2025	
	Number of Options Outstanding	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price
Balance, beginning of period	1,350,000	CDN \$1.80 ⁽²⁾	11,706,373	CDN \$0.84
Exercised	(250,000)	AUD \$0.66 ⁽¹⁾	-	-
Expired	<u>(250,000)</u>	AUD \$0.66	<u>-</u>	-
Balance, end of period	<u>850,000</u>	CDN \$2.47 ⁽²⁾	<u>11,706,373</u>	CDN \$0.84

(1) During the three months ended August 31, 2026, 250,000 share options were exercised on a cash-less basis (net exercise) for the issuance of 236,227 common shares.

(2) Share options exercisable in AUD \$ are stated in Canadian currency equivalents at the exchange rate at the end of the period.

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9. Share Capital (continued)

The following table summarizes information about the Company share options outstanding and exercisable at August 31, 2026:

Number Outstanding and Exercisable	Exercise Price	Expiry Date
250,000	AUD \$0.30	May 5, 2027
<u>600,000</u>	CDN \$3.38	March 10, 2028
<u>850,000</u>		

- (ii) During the three months ended August 31, 2026 the Company recognized \$115,436 (2025 - \$161,028) share-based compensation expense on the vesting of RSUs which were awarded in prior fiscal years.

During the three months ended August 31, 2026 the Company issued 70,359 (2025 - 62,500) common shares on the redemption of RSUs.

As at August 31, 2026, 163,499 RSUs remained outstanding, of which 14,648 RSUs have vested and the remaining 148,851 RSUs are subject to vesting provisions.

A summary of RSUs at August 31, 2026 and 2025 and the changes for the three months ended on those dates, is as follows:

	Number of RSUs Outstanding	
	2026	2025
Balance, beginning of period	238,858	230,000
Awarded	-	142,519
Exercised	(70,359)	(62,500)
Forfeited	<u>(5,000)</u>	<u>-</u>
Balance, end of period	<u>163,499</u>	<u>310,019</u>

See also Note 15.

- (d) *SXG AUS Lead Manager Options*

During fiscal 2023 SXG AUS issued 3,000,000 options (the "Lead Manager Options") to its broker in connection with its private placement in November 2022. The Lead Manager Options were exercisable at AUD \$0.87 per share with an expiry date of November 28, 2025. As at August 31, 2025, 350,000 Lead Manager Options remained outstanding. On October 24, 2025 and November 18, 2025 the 350,000 Lead Manager Options were exercised for \$273,000 (AUD \$304,500).

10. Provision for Site Restoration

	Three Months Ended August 31,	
	2026	2025
	\$	\$
Balance, beginning of period	1,553,313	-
Accretion	18,648	-
Foreign exchange movement	<u>3,279</u>	<u>-</u>
Balance, end of period	<u>1,575,240</u>	<u>-</u>

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10. Provision for Site Restoration (continued)

The total undiscounted amount of estimated cash flows required to settle the Company's estimated obligation at August 31, 2026 was AUD \$2,078,330 which, as at August 31, 2026, has been discounted using a credit-adjusted pre-tax risk-free rate of 4.83% and an inflation rate of 2.5%. The present value of the reclamation liability may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur. The settlement of the obligation is anticipated to occur in December 2031.

11. Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

(a) *Transactions with Key Management Personnel*

During the three months ended August 31, 2026 the Company incurred a total of \$620,655 (2025 - \$263,843) to current and former key management personnel of the Company for salaries and fees which have been allocated based on the nature of the services provided: expensed \$535,022 (2025 - \$201,305) to administration and corporate costs and salaries and benefits, and capitalized \$85,633 (2025 - \$62,538) to exploration and evaluation assets.

During the three months ended August 31, 2026 the Company also recorded \$72,108 (2025 - \$nil) share-based compensation on the vesting of RSUs which were awarded in the prior fiscal year.

As at August 31, 2026 \$29,802 (May 31, 2026 - \$107,773) remained unpaid and has been included in accounts payable and accrued liabilities.

- (b) On November 4, 2025 the Company's then chief financial officer ("CFO") resigned. During the three months ended August 31, 2025 the Company incurred a total of \$23,000 with Chase Management Ltd. ("Chase"), a private corporation owned by the former CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the former CFO, and \$1,005 for office rent prior to the CFO's resignation.

12. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVOCI"). The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	August 31, 2026 \$	May 31, 2026 \$
Cash and cash equivalents	FVTPL	84,014,470	119,129,501
Investments	FVTPL	549,214	577,410
Bonds	Amortized cost	1,978,101	1,900,824
Accounts payable and accrued liabilities	Amortized cost	(10,068,776)	(6,363,932)
Lease liabilities	Amortized cost	(840,785)	(749,650)

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12. Financial Instruments and Risk Management (continued)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities and time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for lease liabilities approximate their fair value and they have interest at market rates for similar debt. The recorded amounts for cash and cash equivalents, investments and bonds approximate their fair value. The Company's fair value of cash and cash equivalents, and investments under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the potential loss related to the credit risk included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at August 31, 2026				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash and cash equivalents	84,014,470	-	-	-	84,014,470
Investments	-	-	549,214	-	549,214
Bonds	-	-	1,978,101	-	1,978,101
Accounts payable and accrued liabilities	(10,068,776)	-	-	-	(10,068,776)
Lease liabilities	(98,781)	(228,526)	(458,978)	(154,877)	(941,162)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

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12. Financial Instruments and Risk Management (continued)

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations is not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains foreign currency bank accounts to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At August 31, 2026, 1 Canadian dollar was equal to 1.01 Australian dollar and 0.72 US dollar.

Balances are as follows:

	Australian \$	US \$	Equivalent Canadian \$
Cash and cash equivalents	72,848,363	27,061	72,405,148
GST receivable	570,608	-	566,842
Bonds	1,991,243	-	1,978,101
Accounts payable and accrued liabilities	<u>(10,074,928)</u>	<u>-</u>	<u>(10,008,433)</u>
	<u>65,335,286</u>	<u>27,061</u>	<u>64,941,658</u>

Based on the net exposures as of August 31, 2026 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian dollar against the Australian dollar and US dollar would result in the Company's other comprehensive income or loss being approximately \$6,500,000 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash and cash equivalents and short-term investments. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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13. Supplemental Cash Flow Information

During the three months ended August 31, 2026 and 2025 non-cash activities were conducted by the Company as follows:

	2026 \$	2025 \$
Operating activities		
Prepaid expenses and other assets	453,422	-
Accounts payable and accrued liabilities	<u>5,182,069</u>	<u>-</u>
	<u>5,635,491</u>	<u>-</u>
Investing activities		
Additions to property plant and equipment	(453,422)	-
Expenditures on exploration and evaluation assets	(5,182,069)	-
Additions to and re-measurement of right of use assets	<u>(164,211)</u>	<u>(14,927)</u>
	<u>(5,799,702)</u>	<u>(14,927)</u>
Financing activities		
Lease liabilities	164,211	14,927
Issuance of common shares	298,469	285,818
Share-based payments reserve	<u>(298,469)</u>	<u>(285,818)</u>
	<u>164,211</u>	<u>14,927</u>

14. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company is in the exploration stage and has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	As at August 31, 2026		
	Canada \$	Australia \$	Total \$
Current assets	11,891,246	74,034,947	85,926,193
Investments	19,125	530,089	549,214
Property, plant and equipment	-	46,357,495	46,357,495
Exploration and evaluation assets	-	140,357,746	140,357,746
Right of use assets	-	810,027	810,027
Bonds	-	<u>1,978,101</u>	<u>1,978,101</u>
	<u>11,910,371</u>	<u>264,068,405</u>	<u>275,978,776</u>
	As at May 31, 2026		
	Canada \$	Australia \$	Total \$
Current assets	37,255,514	83,803,997	121,059,511
Investments	21,938	555,472	577,410
Property, plant and equipment	-	31,673,406	31,673,406
Exploration and evaluation assets	-	119,617,908	119,617,908
Right of use assets	-	733,022	733,022
Bonds	-	<u>1,900,824</u>	<u>1,900,824</u>
	<u>37,277,452</u>	<u>238,284,629</u>	<u>275,562,081</u>

SOUTHERN CROSS GOLD CONSOLIDATED LTD.

TSX: SXGC | ASX: SX2 | OTCQX: SXGCF

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended August 31, 2026

Dated: October 7, 2026

This management's discussion and analysis ("MD&A") has been prepared as at October 7, 2026 to help investors view the Company through management's lens, to understand not just what happened, but why it matters and how we are positioned going forward. It should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended August 31, 2026 as well as the audited consolidated financial statements and MD&A for the year ended May 31, 2026 for Southern Cross Gold Consolidated Ltd. ("SXGC" or the "Company").

The following disclosure and associated financial statements are presented in accordance with the IFRS Accounting Standards. Calendar Year and Fiscal Year are referenced throughout the document by "CY" and "FY" respectively. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise disclosed.

1. QUARTER IN CONTEXT

Message from Management

Q1 FY2027 was the first full quarter of underground development at Sunday Creek. The first cut in the exploration decline portal was fired on June 29, 2026, the first new exploration decline developed in Victoria in approximately 20 years, and following the grant of the explosives magazine licence on July 13, 2026, the operation moved to continuous 24-hour underground development. Exploration decline development had advanced 435.5 m by the end of September. Twelve surface rigs drilled 17,564 m during the quarter under the 200,000 m program, and the Board approved the underground drilling contracts on August 25, 2026. The Company announced an updated Exploration Target on August 4, 2026 and joined the S&P/TSX Composite Index on June 22, 2026. Subsequent to quarter end, on September 22, 2026, Resources Victoria accepted the first mining licence application for Sunday Creek, lodged over Company-owned freehold land covering the historic Golden Dyke workings, the first step in the staged approvals pathway.

Regulatory Milestone

Subsequent to quarter end, on September 22, 2026, Resources Victoria accepted Mining Licence Application MIN009040, lodged by the Company's wholly owned subsidiary Clonbinane Goldfield Pty Ltd under the Mineral Resources (Sustainable Development) Act 1990 (Vic) over approximately 30.7 hectares of Company-owned freehold land covering the historic Golden Dyke workings. Acceptance starts the public phase of the assessment: the application is advertised for a minimum of 21 days, during which any person may comment on or object to it, Resources Victoria then makes a recommendation to the Minister for Resources, and the decision to grant or refuse the licence is due within 120 days of acceptance. A mining licence is a starting point in the approvals pathway, not a right to mine. Before any mining could commence at Golden Dyke, the Company would need a planning permit under the Planning and Environment Act 1987 (Vic) (or

an Environment Effects Statement if required), an approved Mine Work Plan and a rehabilitation bond lodged with Resources Victoria.

Project Development Summary

Underground exploration decline development commenced in June 2026 with the firing of the first cut in the portal on June 29, 2026. The operation moved to full 24-hour operations following the grant of the explosives magazine licence on July 13, 2026. Total development as at the end of September 2026 was 435.5 m of the approximately 1,131 m planned.

Advance rates were below plan in August due to poor ground conditions, and completion of the exploration decline is now forecast for January 2027, compared with December 2026 in the annual MD&A. Development costs remain within budget and the first underground drill is on track to commence drilling in October 2026.

Surface works progressed through winter weather, with the infrastructure pad approximately 95% complete, the workshop operational and offices occupied. Construction of the main access road and site-wide drainage commenced in August.

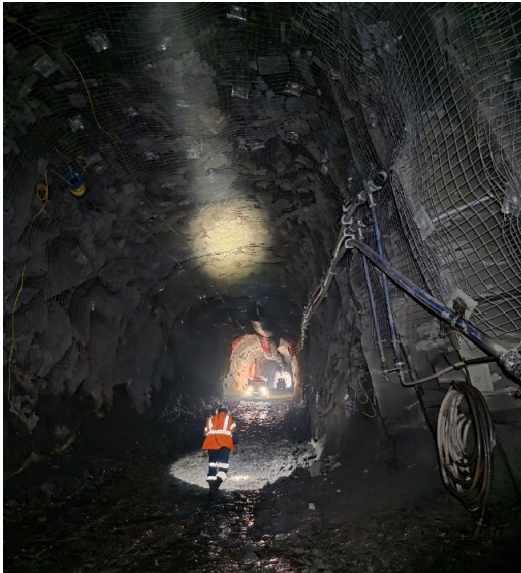


Figure 1. Exploration decline development, August 2026.



Figure 2. Main access road construction and infrastructure pad, August 2026.



Sunday Creek site, August 21, 2026.

Figure 3. Aerial view of the



Figure 4. Site infrastructure area with workshop and site offices, August 2026.

Drilling Program Summary

During the quarter the Company drilled 17,564 m with twelve surface rigs (one additional surface rig in August), two of which are dedicated to regional exploration. Directional drilling (Aziwell) came online in August, saving approximately 950 m of conventional drilling. Results were pending from 72 holes as at October 7, 2026. The 200,000 m program continues through Q1 CY2027 with the aim to announce a maiden resource during Q1 CY2027.

On August 25, 2026 the Board approved the underground drilling contracts, with underground rigs to be deployed from the exploration decline as drill platforms become available.

On August 25, 2026 the Company reported five drill holes from Rising Sun. SDDSC230 returned 0.3 m @ 1,466.7 g/t AuEq (1,466.4 g/t Au, 0.1% Sb) from 886.7 m, hosting an individual assay of 0.1 m @ 4,500.0 g/t Au, the fourth-highest single gold assay returned at Sunday Creek to date. The composite ranks as the twelfth best composite intersection drilled at the project. The intersection sits within the RS19 vein set, 166 m down-dip of SDDSC144 (3.6 m @ 118.0 g/t AuEq).

Subsequent to quarter end, on September 2, 2026 the Company reported five drill holes from Apollo and Apollo East. SDDSC222W1 returned 0.6 m @ 993.2 g/t AuEq (972.0 g/t Au, 8.9% Sb) from 808.5 m, the ninth-best composite intersection drilled at Sunday Creek to date, approximately 620 m below surface, extending the A130 vein set 40 m below its previously known depth. The parent hole SDDSC222 intersected a 118 m stacked mineralized zone averaging 1.6 g/t AuEq (1.0 g/t Au, 0.26% Sb) from 533.4 m, including 39.3 m @ 3.3 g/t AuEq from 597.3 m. At Apollo East, SDDSC227 returned **5.1 m @ 27.2 g/t AuEq** (18.4 g/t Au, 3.7% Sb), including 2.6 m @ 51.1 g/t AuEq, from 260.9 m, the shallowest high-grade intersection drilled in Apollo East to date, together with the release's highest antimony assay of 32.5% Sb and the easternmost significant intersection drilled at the main Sunday Creek Project to date. SDDSC223 returned 97.6 g/t Au over 0.1 m from 280.5 m, approximately 144 m below surface, in a previously undefined gold-rich vein set.

Subsequent to quarter end, on October 7, 2026 the Company reported five infill drill holes from the Golden Dyke prospect. SDDSC225 returned 2.7 m @ 178.6 g/t AuEq (178.4 g/t Au, 0.1% Sb) from 662.3 m, the thirteenth-best composite intersection drilled at Sunday Creek to date and the deepest intercept on the GD40 vein set. SDDSC218 intersected 22 vein sets and returned 6.8 m @ 50.1 g/t AuEq (49.8 g/t Au, 0.1% Sb) from 537.9 m, approximately 380 m below surface, and SDDSC229 returned 13.2 m @ 7.9 g/t AuEq (6.8 g/t Au, 0.4% Sb) from 489.0 m and 8.6 m @ 8.2 g/t AuEq (5.2 g/t Au, 1.3% Sb) from 523.1 m. Infill drilling reduced hole spacing within the tested block from approximately 50 m to approximately 30 m along strike, and SDDSC218 and SDDSC221 intersected four vein sets outside the current Exploration Target, extending Golden Dyke 30 m to 50 m west towards Christina.

As at October 7, 2026, the Company has reported 288 drill holes for 140,849 m of drilling at Sunday Creek (September 2, 2026: 283 drill holes for 136,941 m). At 1 m (down hole length) @ 5 g/t AuEq lower cut the project has delivered to date:

Gold downhole composite intersections:

- 106 exceeding 100 g/t Au (September 2, 2026: 98)
- 85 between 50-100 g/t Au (September 2, 2026: 83)

Antimony downhole composite intersections:

- 115 exceeding 10% Sb (September 2, 2026: 111)

Financially, the Company deployed \$32.9 million during the quarter across drilling, exploration decline development, land acquisition and regional exploration, ending the period with \$84.0 million in cash. The Company is advancing strategic midstream antimony engagement with the Victorian State government, Japan and the USA.

Key Themes This Quarter

Management identified the following themes that defined this quarter and that will continue to shape performance:

Development Acceleration: Total exploration decline development reached 282.3 m of the approximately 1,131 m planned by August 31, 2026 (159.2 m advanced in August), with enabling infrastructure substantially in place. Poor ground conditions held advance below plan in August, and completion of the exploration decline is now forecast for January 2027. The Board approved the underground drilling contracts on August 25, 2026.

Mining Licence Application: Subsequent to quarter end, on September 22, 2026, Resources Victoria accepted the first mining licence application for Sunday Creek, MIN009040, over approximately 30.7 hectares of Company-owned freehold land covering the historic Golden Dyke workings. Acceptance is a positive first step in a staged approvals pathway and continues the Company's approach of de-risking Sunday Creek milestone by milestone. An approved Mine Work Plan and a planning permit, with its own public process, are required before any mining can begin.

Updated Exploration Target: On August 4, 2026 the Company announced an updated Exploration Target for the Sunday Creek Gold-Antimony Project. The estimated range of potential mineralization for the Exploration Target is 10.4 – 11.9 million tonnes grading from 8.9 g/t gold equivalent ("AuEq") to 12.1 g/t AuEq for 3.0 Moz AuEq to 4.6 Moz AuEq.

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been completed in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("JORC").

* (AuEq = Au (g/t) + 2.39 x Sb (%)) Differences may occur in totals due to rounding.

Project Growth & Drilling Momentum: Twelve surface rigs are operating with the 200,000 m program aiming for a maiden resource in Q1 CY2027, and underground drilling contracts were approved in August. The updated Exploration Target announced on August 4, 2026 (10.4 – 11.9 Mt @ 8.9 – 12.1 g/t AuEq for 3.0 – 4.6 Moz AuEq) expanded coverage from three prospects to five over 1,500 m of strike. Drilling released since the annual MD&A delivered 0.6 m @ 993.2 g/t AuEq (972.0 g/t Au, 8.9% Sb) in SDDSC222W1, extending the Apollo A130 vein set 40 m down-dip, and the most easterly significant intersection on the project at Apollo East (SDDSC227).

Capital Markets & Strategic Positioning: The Company presented at Diggers & Dealers (August 4, 2026) following release of the updated Exploration Target and presented at both the Precious Metals Summit Beaver Creek (September 22-25, 2026) and the Mining Forum Americas 2026 (September 27-30, 2026) holding over 70 meetings with investors and banks across both events. SXGC's capital markets infrastructure positions the Company to finance the build in this current metals cycle.

Investment Highlights

Metric	Value	Management View
Exploration Target	3.0 Moz – 4.6 Moz @ 8.9-12.1 g/t AuEq	Western gold-antimony mineralization
Cash Position	\$84.0 million	Fully funded to Inferred Resource & Preliminary Economic Assessment (PEA)

Metric	Value	Management View
Drilling Completed (Cumulative)	140,849 m	Substantial drill program underway
High-Grade Intercepts	106 intercepts >100 g/t Au	Strong exploration results
Mineralized Trend	12+ km	<10% tested to date
Freehold Land	2,296 Ha	Strategic ownership around project

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been completed in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("JORC") and NI 43-101.

2. OPERATING ENVIRONMENT

Industry Context

Gold Market: Gold prices remained at historically elevated levels during the quarter, trading at approximately US\$4,540/oz at the start of June 2026 and closing August 2026 at approximately US\$4,430/oz. The Company's high grades potentially position Sunday Creek favourably. Importantly, Sunday Creek can be advanced primarily on gold economics (approximately 80% of recoverable value), reducing antimony-related market risks while maintaining strategic supply potential.

Antimony market: According to the China Shanghai Changjiang Antimony Grade 1 spot price, antimony closed at CNY 103,000/mt (approximately US\$15,300/mt) on September 25, 2026, down 36.4% year to date and 41.1% over the rolling 12 months (August 7, 2026: CNY 92,000/mt, approximately US\$13,600/mt). Prices have recovered from their mid-CY2026 low but remain well below the CY2025 peak.

Antimony surged from mid-CY2024, rising from around CNY 60,000/mt (broadly in line with the long-term nominal average of approximately CNY 62,000/mt over CY2003 to CY2026) to a peak of approximately CNY 240,000/mt in CY2025, close to four times that long-term average. Prices have since retraced sharply and now sit around 1.6 times the long-term average.

The CY2024 to CY2025 price surge followed China's August 2024 announcement of export controls on antimony and antimony products, effective September 15, 2024, which placed significant pressure on Western defence and semiconductor supply chains.

Victorian regulatory environment: In November 2025 the Victorian Regulator approved the Sunday Creek Exploration Decline Work Plan, and this approval, along with four mines receiving key permits in the preceding 18 months, reflects the constructive permitting environment in Victoria. The state hosts globally leading operations including Agnico Eagle's Fosterville mine (the world's highest-grade underground gold mine CY2018-2021) and Alkane Resources' Costerfield (largest Western antimony producer).

Subsequent to quarter end, on September 22, 2026, Resources Victoria accepted the first mining licence application for Sunday Creek, MIN009040, over approximately 30.7 hectares of Company-owned freehold land covering the historic Golden Dyke workings. Acceptance is a positive first step in a staged approvals pathway and continues the Company's approach of de-risking Sunday

Creek milestone by milestone. An approved Mine Work Plan and a planning permit, with its own public process, are required before any mining can begin.

Strategic Positioning

The Company's membership of the US Defense Industrial Base Consortium (DIBC) and Australia's AUKUS-related legislative changes position the Company as a potential key Western antimony supplier:

- Proximity to established processing infrastructure; historically, ore from Sunday Creek was processed at Costerfield, 54 km to the northwest.
- Stage 2 metallurgical test work demonstrating 92-96% gold recovery and successful selective flotation producing high-grade, low-arsenic antimony-gold concentrate.
- Strategic freehold land ownership of 2,296 hectares securing the project footprint (May 31, 2026: 1,392 hectares).
- Location 60 km north of Melbourne with excellent infrastructure access.

3. STRATEGY EXECUTION

Strategic Priorities & Progress

The Company's strategy centres on three priorities. This section tracks progress against each:

Priority 1: Resource Definition

Objective: Establish Inferred Mineral Resource by Q1 CY2027.

Progress this quarter: 17,564 m of surface drilling completed in Q1 FY2027 at a drilling only cost of A\$328/m (Q4 FY2026: 17,753 m at A\$280/m). Monthly metres were 6,709 m in June, 4,987 m in July and 5,868 m in August, with July affected by the demobilization of one Deepcore rig (replaced by a new Starwest Versa Drill) and mechanical downtime on the deep control hole beneath Rising Sun. Assay turnaround times have reduced to an approximately 30-day average.

Drilling across Rising Sun, Golden Dyke, Apollo, Apollo East and Christina continues to deliver high-grade intercepts. The current Exploration Target released in August 2026 is 10.4 to 11.9 million tonnes grading 8.9 g/t to 12.1 g/t AuEq.

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been completed in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("JORC") and NI 43-101.

On track: Yes. Drilling program progressing to plan, with 12 surface rigs operating and underground rigs to be mobilized as drill platforms in the exploration decline become available.

Priority 2: Exploration Decline Development Advancement

Objective: Complete the approximately 1,131 m exploration decline and establish underground drill platforms to support the maiden Mineral Resource.

Progress this quarter: Total exploration decline development reached 282.3 m by August 31, 2026, with 159.2 m advanced in August. PYBAR personnel on site reached 36 of a planned 40

by the end of August, with an underground agitator mobilized to facilitate concreting of the underground drill platforms. Surface works advanced with the infrastructure pad approximately 95% complete, site buildings and workshop mobilized, the main access road commenced and Dam 4 discharged under Environment Protection Authority (EPA) approval to restore storage capacity. Mining One has been engaged to build an Integrated Master Schedule and provide project controls.

On track: Partially. Development is proceeding on a continuous basis but advance rates are below plan and completion of the exploration decline is forecast for January 2027 rather than December 2026. Costs remain within budget.

Priority 3: Strategic Value Realization

Objective: Position Sunday Creek as a critical Western antimony supply source.

Progress this quarter: Technical studies supporting the Preliminary Economic Assessment continued during the quarter, focused on underground study work, metallurgy and infrastructure.

On track: Yes. Technical and strategic foundations in place. The PEA is targeted for completion by the end of June 2027 (Q2 CY2027).

Milestone Tracker

The following table tracks key milestones with status updated each quarter:

Milestone	Target	Status	Commentary
Work Plan Approval	Nov 26 2025	✓ ACHIEVED	Approved November 26, 2025
Updated Exploration Target	Aug 2026	✓ ACHIEVED	Announced August 4, 2026
Agreement with Taungurung Land and Waters Council	Nov 2026	In progress	Negotiations continuing
Preliminary Economic Assessment	Q2 CY2027	In progress	\$0.7 million invested in Q1 FY2027 (\$2.0 million cumulative); PEA technical studies underway
Underground Exploration Decline Commencement	June 2026	✓ ACHIEVED	Exploration decline development commenced June 2026
24-Hour Underground Operations	July 2026	✓ ACHIEVED	Magazine licence granted July 13, 2026
Underground drilling contracts	Q3 CY2026	✓ ACHIEVED	Approved by the Board August 25, 2026
Maiden Mineral Resource Estimate	Q1 CY2027	In progress	140,849 m reported as at October 7, 2026 under the 200,000 m program

4. FINANCIAL PERFORMANCE

Results and Capital Management Overview

The Company is in the exploration and pre-development stage and does not generate operating revenue. The Company recorded a net loss of \$4.4 million for the three months ended August 31, 2026 compared to a loss of \$0.9 million for the three months ended August 31, 2025.

Expenditure Summary

The Company finished the August 2026 quarter with \$84.0 million in cash at bank inclusive of short-term term deposits (June 1, 2026: \$119.1 million). Net expenditures for the three months ended August 31, 2026 were \$35.1 million.

Expenditure	Q1 FY2026 (\$ Millions)	Q2 FY2026 (\$ Millions)	Q3 FY2026 (\$ Millions)	Q4 FY2026 (\$ Millions)	Q1 FY2027 (\$ Millions)
Interest earned and other	0.8	1.5	1.7	8.9	2.5
Drilling - Inferred Resource	(4.5)	(5.8)	(5.1)	(6.8)	(8.3)
Exploration Decline Development	(1.0)	(0.5)	(1.4)	(3.4)	(10.1)
PEA Studies	(0.0)	(0.1)	(0.1)	(0.9)	(0.7)
Regional Exploration	(0.1)	(0.4)	(0.8)	(0.9)	(0.6)
Permitting	-	-	-	-	(0.9)
Property & Equipment	(0.3)	(0.1)	(0.4)	(0.3)	(0.3)
Farming Operations	(0.1)	(0.5)	(0.2)	(0.1)	(0.1)
Land Purchases	(4.0)	(4.9)	(1.2)	(0.0)	(13.9)
General and administrative (G&A)	(1.2)	(1.9)	(1.6)	(2.8)	(4.5)
Site operational readiness	-	-	-	-	(0.7)
Group Expenditures	(10.4)	(12.7)	(9.0)	(6.3)	(37.7)
Rehabilitation bonding	-	-	(1.8)	-	-
Working capital & foreign exchange (FX) adjustments	0.3	1.9	3.6	2.2	2.5
Net Expenditures	(10.0)	(10.8)	(7.2)	(4.0)	(35.1)

Note: A\$ amounts converted at quarterly average exchange rates (Q1 FY2026: 1AUD:0.8934CAD; Q2 FY2026: 1AUD:0.9035CAD; Q3 FY2026: 1AUD:0.9374CAD; Q4 FY2026: 1AUD:0.9747CAD; Q1 FY2027: 1AUD:0.9857CAD).

Capital Deployment Analysis

Key areas of investment during the three months ended August 31, 2026 reflect the Company's strategic priorities:

- **\$8.3 million** on diamond drilling and associated geology costs across Rising Sun, Golden Dyke, Apollo and Christina – 17,564 m completed at an all-in cost of \$475/m.
- **\$10.1 million** on exploration decline development, including the first full quarter of underground development by PYBAR and completion of surface infrastructure, ensuring compliance with the approved Work Plan.
- **\$0.6 million** on regional exploration focused on identifying the next Sunday Creek, with step-out drilling at Leviathan, Tonstal and Aftermath.
- **\$13.9 million** on strategic land acquisitions in the immediate vicinity of the project.
- **\$0.7 million** in PEA and technical study work focused on mine design, metallurgy and tailings.

- **\$4.5 million** in G&A.
- **\$0.9 million** on permitting costs.
- **\$0.7 million** on site operational readiness.
- **\$0.4 million** related to property and equipment and farming operations at properties owned by the Company.

Quarterly Results Summary

	Q1/2027 Aug 31 26 \$	Q4/2026 May 31 26 \$	Q3/2026 Feb 28 26 \$	Q2/2026 Nov 30 25 \$	Q1/2026 Aug 31 25 \$	Q4/2025 May 31 25 \$	Q3/2025 Feb 28 25 \$	Q2/2025 Nov 30 24 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	(4,355,768)	(3,272,563)	(591,021)	(686,716)	(925,512)	(2,539,283)	(2,434,164)	(2,412,727)
Total comprehensive Income/(loss)	(3,516,647)	1,968,772	10,931,236	2,364,453	1,919,497	(3,240,710)	(2,785,743)	(2,986,373)
Income/(loss) per share (basic and diluted)	(0.02)	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)	(0.02)	(0.02)
Working capital	75,559,595	114,497,878	120,974,138	128,118,940	139,951,604	148,767,628	14,756,360	5,425,387
Total assets	275,978,776	275,562,081	262,425,749	250,480,048	246,976,218	245,163,954	105,220,669	39,263,268
Total long-term liabilities	(2,118,203)	(2,105,262)	(1,079,223)	(990,779)	(1,003,207)	(1,066,806)	(618,242)	(651,826)

As at the date of this MD&A, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests; therefore, the expenses are not subject to seasonal fluctuations or general trends. The Company's expenses and cash requirements will fluctuate from period to period depending on the level of activity and, therefore, lack some degree of comparability. The Company's quarterly results may be affected by many factors such as timing of exploration activity, share-based payment costs, marketing activities and other factors that affect Company's exploration and financing activities. Furthermore, the Company's net loss/income may also be affected by the current fair value of its investments held.

Three Months Ended August 31, 2026 Compared to Three Months Ended August 31, 2025

During the three months ended August 31, 2026 ("Q1/2027") the Company reported a net loss of \$4,355,768 compared to a net loss of \$925,512 for the three months ended August 31, 2025 ("Q1/2026"), an increase in loss of \$3,430,256. The increase in loss was mainly attributed to:

- an increase in administration and corporate costs of \$2,087,665 from \$1,122,476 in Q1/2026 to \$3,210,141 in Q1/2027;
- an increase in salaries and benefits of \$1,167,824 from \$564,098 in Q1/2026 to \$1,731,922 in Q1/2027, reflecting the growth of the Company's in-house workforce in Australia as activity at the Sunday Creek Project expanded;
- a decrease in interest income of \$176,725 from \$1,142,650 in Q1/2026 to \$965,925 in Q1/2027.

Exploration and Evaluation Assets

As at August 31, 2026	Acquisition cost \$'000	Deferred Exploration Costs \$'000	Foreign Exchange Movement \$'000	Total \$'000
Sunday Creek	42,755	81,205	13,462	137,422
Redcastle	285	2,613	38	2,936
Total	43,040	83,818	13,500	140,358

As at May 31, 2026	Acquisition cost \$'000	Deferred Exploration Costs \$'000	Foreign Exchange Movement \$'000	Total \$'000
Sunday Creek	42,755	60,872	13,067	116,694
Redcastle	285	2,607	32	2,924
Total	43,040	63,479	13,099	119,618

During the three months ended August 31, 2026 the Company incurred a total of \$20,339,145 (2025 - \$6,755,242) on the acquisition, exploration and evaluation of its unproven resource assets on its Australian properties net of foreign exchange movement.

5. LIQUIDITY**Liquidity Position**

As at August 31, 2026, the Company had cash and cash equivalents of \$84.0 million and an accounts payable position (trade and accrued liabilities) of \$10.1 million.

Cash runway: Based on an expected deployment rate of approximately \$25 million for the next quarter, before reverting to approximately \$10 million per quarter after that, the Company has sufficient cash to fund operations through resource establishment (Q1 CY2027) and PEA completion (by Q2 CY2027).

Ability to fund activities: Management considers the Company has adequate resources to maintain operations, conduct planned exploration and development programs, and discharge obligations as they become due. The Company does not have debt obligations.

Defaults or arrears: The Company has no defaults or arrears on any debt, lease payments, dividends, or other obligations.

Contractual Obligations

As at August 31, 2026, contractual obligations related to liabilities from continuing operations were as follows:

	Less than 1 year \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
Accounts payable and accrued liabilities	10,069	-	-	10,069
Lease liabilities	327	459	155	941
Land purchase commitments (contracts exchanged)	9,477	-	-	9,477

	Less than 1 year \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
Total	19,873	459	155	20,487

Use of Proceeds

In May 2025, the Company completed a private placement raising gross proceeds of \$143 million. The following table compares the intended use of proceeds as disclosed at the time of the offering with actual expenditures to August 31, 2026:

Use of Proceeds	Intended (\$M)	Spent to Aug 31, 2026 (\$M)	Variance
Drilling for Inferred Resource	53	32.1	On plan
1km Exploration Decline Development	27	16.8	On plan
PEA Study	4	2.0	On plan
Regional Exploration, Land, G&A	59	44.3	On plan
Total	143	95.1	On plan

Note: Spent to August 31, 2026 represents cumulative expenditure since June 1, 2025 converted at the Q1 FY2027 average exchange rate (1AUD:0.9857CAD).

The Company is deploying funds in accordance with the stated use of proceeds. Within the Regional Exploration, Land & G&A category, \$24.8 million has been invested in strategic land acquisitions, \$3.0 million in regional exploration, \$1.4 million in plant and property improvements, \$1.1 million in farming operations, \$0.9 million in permitting costs, \$0.7 million in site operational readiness, and \$12.4 million in G&A. The Company has secured additional freehold above plan in the immediate vicinity of the project during the quarter.

6. RISKS & OUTLOOK

Risk Assessment

The following risks have been identified or updated based on current operating conditions:

Evolving Risks This Quarter

Exploration Decline Construction Execution: With Work Plan approval received, execution risk shifted to construction phase. During the quarter, poor ground conditions slowed advance rates and completion of the exploration decline is now forecast for January 2027 rather than December 2026. Management is mitigating this through engagement of experienced underground contractors familiar with Victorian operations.

Global Antimony Supply Dynamics: While China's export restrictions enhance Sunday Creek's strategic positioning, antimony price volatility remains a consideration, with prices having retraced to approximately 1.6 times the long-term average. The Company's strategy to develop primarily on gold economics provides significant mitigation.

Principal Ongoing Risks

The Company's principal risks remain: exploration risk, development risk, commodity price volatility, permitting and regulatory risk, financing risk, and environmental and social risk. For comprehensive discussion, refer to the Company's Annual Information Form on SEDAR+.

Outlook

Near-Term Focus (Next 6 Months)

- Establish the first underground drill platforms and commence underground drilling under the contracts approved in August 2026.
- Continue the surface drilling program with twelve rigs operating, aiming for a Q1 CY2027 maiden Mineral Resource Estimate.
- Continue regional exploration across the 12 km mineralized trend and complete the deep control hole beneath Rising Sun.
- Progress Mining Licence Application MIN009040 through public advertisement and assessment by Resources Victoria.
- Continue negotiation of a project-wide agreement with the Taungurung people.
- Progress government antimony midstream processing partnership discussions with the Victorian and Australian governments and international partners.

Medium-Term Direction (12–24 Months)

The Company's medium-term direction centres on three concurrent workstreams: establishing an Inferred Mineral Resource by Q1 CY2027; completing a Preliminary Economic Assessment by mid-CY2027; and collecting environmental baseline data. Underground drilling from the exploration decline (up to 12 rigs) will supplement surface drilling (12 rigs), providing for one of the world's largest pre-development drill programs with up to 24 rigs operating concurrently. The Company's capital markets infrastructure, including the \$700M base shelf prospectus, VanEck Junior Gold Miners ETF (GDXJ) and FTSE Canada All Cap Index inclusion and S&P/TSX Composite Index inclusion, positions SXGC to finance the build in this current metals cycle.

7. PROJECT UPDATE

Sunday Creek Project

The Sunday Creek Gold-Antimony Project is located approximately 60 km north of Melbourne in Victoria, Australia. The project is the Company's material property and sole reportable segment. It is contained within 16,900 hectares of granted exploration tenements and one granted retention licence, with the Company owning 2,296 hectares of strategic freehold land.

Geologically, Sunday Creek is a shallow orogenic (epizonal) Fosterville-style deposit located within the Melbourne Structural Zone in the Lachlan Fold Belt. The mineralization forms in a 'Golden Ladder' structure where gold and antimony occur in relay vein sets cutting across a steeply dipping zone of intensely altered volcanic and sedimentary rocks, with individual vein sets extending from surface to over 1,100 m.

Exploration Decline Development

Surface Works

Lincolns Earthmoving progressed surface earthworks throughout the quarter. The box-cut and the magazine compound were completed during June, the infrastructure pad advanced to approximately 95% by the end of August, and works on the main access road and site-wide

drainage commenced in August and were completed in September. Road construction and drainage works progressed more slowly than planned due to wet winter weather conditions. Erosion and sediment controls were substantially enhanced during the quarter and continued to perform effectively through rain events, with contact site runoff directed to Dam 4 as the primary control.

Underground Exploration Development

PYBAR fired the first cut in the exploration decline portal on June 29, 2026, the first new decline developed in Victoria in approximately 20 years, and the exploration decline advanced approximately 10 m by the end of June on dayshift-only operations while portal establishment was completed. The explosives magazine licence was secured on July 13, 2026, enabling night-shift blasting and the transition to full 24-hour underground operations during July. Exploration decline advance totalled 114.2 m in July (comprising 103.1 m of exploration decline and 11.1 m completing the 20 m initial portal construction), 159.2 m in August and 153.2 m in September, bringing total development to 435.5 m of the approximately 1,131 m planned as at September 30, 2026.

Twenty-four hour operations continued throughout August; however, poor ground conditions, particularly in the floor of the decline, slowed advance rates, requiring the contractor to stop and perform rectification works to make the decline safe and operable. Minor groundwater inflow has been encountered with nothing significant reported to date. On current forecasts, completion of the exploration decline is forecast for January 2027 (previously December 2026). PYBAR personnel numbers reached 36 at the end of August, with a further four personnel mobilized in September. An underground agitator was mobilized to site in late August to facilitate concreting of the underground diamond drill platforms. Development costs remain within budget.

Enabling Infrastructure

Site office buildings and containers were delivered to site by the end of July, and a new 1,000 kVA generator set was commissioned during July, doubling site power capacity. Mobilization of site buildings and the workshop to the infrastructure area was substantially completed in August; the workshop is operational and the office buildings are being occupied. Additional ventilation fans have been installed and await power connection, stage one of the underground very high frequency (VHF) radio communications system is complete with stage two to follow, and the compressor shed permit has been received. On power the Company has broadened engagement to include AusNet's renewables affiliate and is separately investigating gas-fired generation supplied from a nearby pipeline or by virtual pipeline, alongside the grid connection options being investigated.

Project Resourcing

The management team was substantially established in the prior period. The Health and Safety Manager commenced on July 1, 2026, with initial priorities including establishment of the Safety Management System, completion of major hazard assessments and regulator engagement.

Recruitment is underway for a project engineer, two mining engineers, a surveyor, a geotechnical engineer, a fixed plant coordinator and a health and safety coordinator, further building internal capability and reducing reliance on contractors.

Drilling Program

As at October 7, 2026, the Company has reported 288 drill holes for 140,849 m of drilling at Sunday Creek. At 1 m (down hole length) @ 5 g/t AuEq lower cut the project has delivered to date:

Gold downhole composite intersections:

- 106 exceeding 100 g/t Au (up to 3,511 g/t Au over 0.7 m)
- 85 between 50-100 g/t Au

Antimony downhole composite intersections:

- 115 exceeding 10% Sb (up to 47.5% Sb over 0.6 m)

The Company released results from 23 drill holes at Sunday Creek during the quarter, in four announcements dated June 10, July 6, July 28 and August 25, 2026, and a further ten holes subsequent to quarter end, on September 2 and October 7, 2026, delivering high-grade results across Christina, Golden Dyke, Rising Sun, Apollo and Apollo East. Results from two drill holes at the Redcastle project were released on July 15, 2026.

Golden Dyke: Infill Drilling Lifts Grades

Subsequent to quarter end, on October 7, 2026 the Company reported five infill drill holes from the Golden Dyke prospect (SDDSC218, SDDSC221, SDDSC225, SDDSC229 and SDDSC236), all drilled east to west and testing a continuous block approximately 300 m by 500 m between 280 m and 750 m below surface. Infill drilling reduced hole spacing within the block from approximately 50 m to approximately 30 m along strike by 15 m to 20 m laterally. SDDSC225 returned 2.7 m @ 178.6 g/t AuEq (178.4 g/t Au, 0.1% Sb) from 662.3 m, the thirteenth-best composite intersection drilled at Sunday Creek to date and the deepest intercept on the GD40 vein set, with no drilling yet beneath it, together with 3.9 m @ 32.9 g/t AuEq (32.9 g/t Au, 0.0% Sb) from 793.8 m. SDDSC218 intersected 22 vein sets and returned 6.8 m @ 50.1 g/t AuEq (49.8 g/t Au, 0.1% Sb) from 537.9 m, approximately 380 m below surface, together with 13.0 m @ 6.8 g/t AuEq (4.0 g/t Au, 1.2% Sb) from 477.8 m and 9.7 m @ 9.5 g/t AuEq (8.1 g/t Au, 0.6% Sb) from 646.1 m. SDDSC229 returned 13.2 m @ 7.9 g/t AuEq (6.8 g/t Au, 0.4% Sb) from 489.0 m and 8.6 m @ 8.2 g/t AuEq (5.2 g/t Au, 1.3% Sb) from 523.1 m, confirming continuity of the GD80 and GD82 vein sets at spacings of 10 m to 40 m. SDDSC221 returned 1.0 m @ 198.9 g/t AuEq (198.9 g/t Au, 0.0% Sb) from 680.0 m and, with SDDSC218, intersected four vein sets outside the current Exploration Target, extending Golden Dyke 30 m to 50 m west towards Christina. SDDSC236, a bounding hole on the southern margin of the prospect, returned no significant intersections. Twelve individual assays exceeded 100 g/t Au and three exceeded 20% Sb across the five holes. The results are consistent with the established zonation of the system, with antimony richest in the upper part of the tested block and gold dominant at depth. The true thickness of the reported intervals is interpreted to be approximately 60% to 85% of the sampled thickness.

Apollo and Apollo East: Depth Extension and Eastern Extension

Subsequent to quarter end, on September 2, 2026 the Company reported five drill holes from Apollo and Apollo East. SDDSC222W1 returned 0.6 m @ 993.2 g/t AuEq (972.0 g/t Au, 8.9% Sb) from 808.5 m, the ninth-best composite intersection drilled at Sunday Creek to date, approximately 620 m below surface, extending the A130 vein set 40 m below its previously known depth. The parent hole SDDSC222 intersected a 118 m stacked mineralized zone averaging 1.6 g/t AuEq

(1.0 g/t Au, 0.26% Sb) from 533.4 m, including 39.3 m @ 3.3 g/t AuEq from 597.3 m. The true thickness of the reported intervals is interpreted to be approximately 55% to 80% of the sampled thickness. At Apollo East, SDDSC227 returned **5.1 m @ 27.2 g/t AuEq** (18.4 g/t Au, 3.7% Sb), including 2.6 m @ 51.1 g/t AuEq, from 260.9 m, the shallowest high-grade intersection drilled in Apollo East to date, together with the release's highest antimony assay of 32.5% Sb and the easternmost significant intersection drilled at the main Sunday Creek Project to date. SDDSC223 returned 97.6 g/t Au over 0.1 m from 280.5 m, approximately 144 m below surface, in a previously undefined gold-rich vein set. Together these results continue to push high-grade mineralization shallower and further east at Apollo East, which is now defined across 140 m of horizontal strike and remains open to the east.

Earlier in the quarter, on June 10, 2026, the Company reported seven drill holes from Apollo and Apollo East. SDDSC202 returned **36.6 m @ 6.5 g/t AuEq (4.0 g/t Au, 1.0% Sb)** from 700.0 m, including 2.7 m @ 34.0 g/t AuEq and 1.5 m @ 27.3 g/t AuEq, with individual assays up to 493.0 g/t Au and 29.1% Sb and two previously unmodelled high-grade zones adding to the Apollo East vein architecture. SDDSC214W1 returned **0.5 m @ 251.4 g/t AuEq (232.0 g/t Au, 8.1% Sb)** from 605.2 m and expanded Apollo East a further 20 m to the east, while SDDSC217 returned 0.1 m @ 130.6 g/t AuEq (55.8 g/t Au, 31.3% Sb) from 324.9 m, at the time the shallowest Apollo East result. Seven individual assays exceeded 100 g/t Au and five exceeded 20% Sb across the seven holes.

Upper Golden Dyke: Antimony Dominance Confirmed

On July 6, 2026 the Company reported six drill holes targeting the upper portion of the Golden Dyke prospect, all drilled within the highest-density drilled zone of the project and directly above the base of the planned exploration decline. Best results included **7.9 m @ 19.9 g/t AuEq (2.8 g/t Au, 7.1% Sb)** from 363.1 m in SDDSC233, including 3.7 m @ 37.5 g/t AuEq (3.5 g/t Au, 14.2% Sb), with three individual assays exceeding 50 g/t Au and seven individual antimony assays exceeding 20% Sb across the six holes. Four new vein sets were identified across three holes. The results confirm antimony dominance in the upper part of the system, consistent with the established zonation of epizonal gold-antimony deposits, and are directly relevant to the material expected to be intersected by the exploration decline.

Christina: Westernmost Hole Links the Corridor

On July 28, 2026 the Company reported five drill holes comprising the westernmost sequence of holes reported from the main prospect area to date, close to 300 m west of any previous drilling. SDDSC235 remained within prospective dyke and altered sediment for a cumulative 800 m of its 1,405.7 m length, including a zone of mineralization from 282.1 m that returned **481 m @ 0.9 g/t Au (uncut)**, carrying Christina through into the Golden Dyke corridor before defining the prospective corridor within Rising Sun 1,010 m below surface. Best results included 8.3 m @ 4.8 g/t AuEq from 708.7 m and **0.8 m @ 141.0 g/t AuEq (141.0 g/t Au)** from 568.9 m, both in SDDSC235, which returned seven individual assays above 50 g/t Au, up to 496.0 g/t Au. All three definition holes from the new western pad intersected gold within 15 m to 60 m of surface. Christina was included in the Exploration Target for the first time in the August 4, 2026 update.

Rising Sun: Deepest Drilling Returns Highest Grades

On August 25, 2026 the Company reported five drill holes from Rising Sun (SDDSC201, SDDSC205, SDDSC230, SDDSC230W1 and SDDSC231), comprising the deepest west-to-east drilling completed beneath the prospect to date. SDDSC230 returned 0.3 m @ 1,466.7 g/t AuEq

(1,466.4 g/t Au, 0.1% Sb) from 886.7 m, hosting an individual assay of 0.1 m @ 4,500.0 g/t Au, the fourth-highest individual gold assay returned at Sunday Creek to date. The composite ranks as the twelfth-best composite intersection drilled at the project. The intersection sits 166 m down-dip of SDDSC144 (3.6 m @ 118.0 g/t AuEq), confirming continuity of the RS19 vein set. SDDSC231 stepped out 150 m on the RS11 and RS40 vein sets. It returned 0.4 m @ 82.1 g/t AuEq from 823.3 m and 0.4 m @ 24.4 g/t AuEq from 1,031.7 m, the deepest mineralization intersected at Rising Sun to date. The wedge SDDSC230W1 returned 0.4 m @ 88.6 g/t AuEq from 842.8 m, and SDDSC205 returned 0.5 m @ 60.4 g/t AuEq from 852.4 m on the footwall of the system. Together the five holes tested approximately 200 m of lateral extent and approximately 300 vertical metres. They added three composite intersections above 100 g/t Au, four between 50 g/t and 100 g/t Au and eight individual gold assays above 50 g/t Au. Two vein sets sit outside the current Exploration Target. Grade tenor continues to improve with depth.

Geological Modelling

The updated Exploration Target announced on August 4, 2026 is based on 125 mineralized vein set shapes constrained to diamond drilling data, across 1,500 m of strike spanning Christina, Golden Dyke, Rising Sun, Apollo and Apollo East, expanding the Exploration Target from three prospects to five. SRK Consulting (Australasia) Pty Ltd remains engaged for ongoing geological modelling consistent with the requirements of NI 43-101 and JORC.

Structural Framework

At least **126 individual “rungs”** of the Golden Ladder structure have now been defined across the 1,550 m strike from Christina to Apollo, with high-grade intercepts ranging from 20 g/t Au to >7,330 g/t Au. The quarter's drilling continues to demonstrate that grade improves at depth, a characteristic of epizonal gold-antimony systems, with the deepest holes consistently returning high-grade values.

Deep Control Drilling

The second deep control hole (SDDSC226A), targeting close to two kilometres depth beneath Rising Sun, continued during the quarter, although progress was affected by recurring mechanical stoppages on the rig in July.

Regional Exploration

Regional step-out drilling along the 12 km mineralized trend continued. Approval was received from the Department of Energy, Environment and Climate Action for drill pad DP43, re-establishing access to the Crown land pad for Christina and Golden Dyke drilling.

Other Properties

Redcastle: The Redcastle Gold-Antimony Project is located 110 km north of Melbourne and 64 km NNW of Sunday Creek in central Victoria, 7 km along strike from Alkane Resources' Costerfield gold-antimony mine on a parallel north-south structure. On July 15, 2026 the Company released results from the first two deep drill holes beneath the Laura prospect. Best results included **26.2 g/t Au over 0.14 m** from 112.98 m and **15.4 g/t Au over 0.22 m** from 321.84 m in SDDRE016, two of eight individual high-grade gold intervals from that hole, which confirmed Costerfield-style gold-antimony mineralization including visible gold over more than 250 m of vertical extent.

Community & Safety

The Company maintains an active community engagement program centred on transparent communication with neighbours and the broader local community. During Q1 FY2027, engagement activities included:

- 60 one-on-one interactions with immediate neighbours (face-to-face meetings, phone calls, texts and emails) providing operational updates
- Approximately 330 blasting-notification interactions as decline portal and underground blasting progressed, with an opt-in SMS service introduced from July 21, 2026
- 16 site tours for neighbours, community groups, industry, government and diplomatic representatives
- Community Reference Group ("CRG") meetings in June and August 2026, with Mitchell Shire Council and Resources Victoria observers in attendance, and fortnightly engagement updates to CRG members
- Round 1 of the Community Grants program awarded six grants to local organizations
- Community functions including the Broadford Secondary College careers day and Landcare Week tree planting (200 tube stock planted)
- Quarterly newsletters distributed to approximately 650 households in Clonbinane and surrounding areas

Safety performance remains strong with no lost time injuries or recordable injuries recorded across employees and contractors during the quarter. The Health and Safety Manager commenced on July 1, 2026. WorkSafe Victoria attended site on two occasions during the quarter: a verification visit in relation to the Company's Major Mining Hazards, at which the Company's system was reviewed and found to be compliant with the regulations for the activities being undertaken, and a general site entry, following which WorkSafe indicated a further visit would be undertaken once stage one earthworks are complete. Emergency Response personnel have been formally established, with training to be undertaken alongside established regional response groups; the Central Victorian Mines Rescue Group attended site during the quarter and familiarization visits with local emergency services have continued. A health and safety enterprise database has been selected, with improved incident reporting and action tracking to be rolled out in early November 2026, an electronic chemical management register has been implemented, and work continues on the broader Safety Management System, the risk management framework and engagement with the regulator.

8. ADDITIONAL DISCLOSURES

Directors and Officers

As of the date of this MD&A the directors and officers of the Company are as follows:

Name	Position
Tom Eadie	Director, Non-Executive Chairman
Michael Hudson	President & Chief Executive Officer (CEO) and Managing Director
David Henstridge	Director

Name	Position
Georgina Carnegie	Director
Ian Smith	Director
Michael Frame	Chief Financial Officer
Ryan Austerberry	Chief Operating Officer
Mariana Bermudez	Corporate Secretary

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its financial performance or financial condition.

Proposed Transactions

The Company has no proposed transactions.

Subsequent Events

The following events occurred subsequent to the three months ended August 31, 2026 and up to the date of this MD&A:

- Sunday Creek drilling – on September 2, 2026 the Company reported results from Apollo and Apollo East, including 0.6 m @ 993.2 g/t AuEq (972.0 g/t Au, 8.9% Sb) from 808.5 m in SDDSC222W1 and 5.1 m @ 27.2 g/t AuEq from 260.9 m in SDDSC227.
- Sunday Creek drilling – on October 7, 2026 the Company reported five infill drill holes from the Golden Dyke prospect, including 2.7 m @ 178.6 g/t AuEq (178.4 g/t Au, 0.1% Sb) from 662.3 m in SDDSC225 and 6.8 m @ 50.1 g/t AuEq (49.8 g/t Au, 0.1% Sb) from 537.9 m in SDDSC218, and four vein sets outside the current Exploration Target.
- Mining licence application – on September 22, 2026 Resources Victoria accepted Mining Licence Application MIN009040, lodged by the Company's wholly owned subsidiary Clonbinane Goldfield Pty Ltd over approximately 30.7 hectares of Company-owned freehold land covering the historic Golden Dyke workings at Sunday Creek. The application will be publicly advertised for a minimum of 21 days and a decision on the application is due within 120 days of acceptance. The grant of a mining licence does not, on its own, permit mining to commence.
- Land – settlement of four further freehold properties in the vicinity of the project for A\$8.8 million occurred in September.
- Share capital – 3,193 common shares were issued on the redemption of restricted share units (RSUs) subsequent to quarter end. Refer to Outstanding Share Data below.

Other than as disclosed above, no events have occurred subsequent to August 31, 2026 that require adjustment to, or disclosure in, the condensed consolidated interim financial statements for the three months ended August 31, 2026.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the May 31, 2026 audited annual consolidated financial statements.

Changes in Accounting Policies

There were no changes to accounting policies.

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the May 31, 2026 audited annual consolidated financial statements.

Related Party Transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

	Three Months Ended Aug 31, 2026 \$	Three Months Ended Aug 31, 2025 \$
Salaries and consulting fees	620,655	263,843
Share based compensation	72,108	-

a) During the three months ended August 31, 2026 the Company incurred a total of \$620,655 (2025 - \$263,843) to current and former key management personnel of the Company for salaries and fees, allocated based on the nature of the services provided: expensed \$535,022 (2025 - \$201,305) to administration and corporate costs and capitalized \$85,633 (2025 - \$62,538) to exploration and evaluation assets. As at August 31, 2026 \$29,802 (May 31, 2026 - \$107,773) remained unpaid and has been included in accounts payable and accrued liabilities.

b) During the three months ended August 31, 2026 the Company also recorded \$72,108 (2025 - \$nil) share-based compensation on the vesting of RSUs awarded in the prior fiscal year.

c) Effective April 28, 2025 the Company entered into an office lease agreement in Kilmore with the family trust of the Company's Chief Executive Officer for a term of five years plus a three-year renewal option, at AUD \$8,206 per month. The office lease and price was negotiated by an independent real estate agency with the lease based on the market price for comparable real estate in Kilmore.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company believes that it is in compliance with all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at August 31, 2026 there were 269,653,562 issued and outstanding common shares. In addition, there were:

- 600,000 share options outstanding, at an exercise price of CDN \$3.38 per share (expiring March 10, 2028);
- 250,000 share options outstanding, at an exercise price of AUD \$0.30 per share (expiring May 5, 2027); and
- 163,499 restricted share units ("RSUs") outstanding.

As at the date of this MD&A, there were 269,656,755 issued and outstanding common shares, 850,000 share options and 160,306 RSUs outstanding.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate to permit timely decisions regarding public disclosure.

The Company's management, including the CEO and CFO, has as at August 31, 2026, designed Disclosure Controls and Procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made known to them by others, particularly during the period in which the interim or annual filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The Company's management, including the CEO and CFO, has designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. There were no changes in the Company's internal control over financial reporting during the three months ended August 31, 2026 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Qualified/Competent Persons

The scientific and technical information in this MD&A, including the information that relates to exploration results at Sunday Creek was prepared under the supervision of, or has been prepared,

reviewed, verified and approved by Kenneth Bush, Head of Exploration of SXGC, a qualified person as defined by the NI 43-101 and a Competent Person who is a Member of the Australian Institute of Geoscientists and a Registered Professional Geologist in the field of Mining and Exploration (#10315). Mr. Bush holds shares (less than 1%) in the Company. Mr. Bush has sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bush consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The information that relates to the Exploration Target is extracted from a press release dated August 4, 2026 prepared for the Company by Kenneth Bush, a qualified person under NI 43-101. Mr. Bush is the Head of Exploration for the Company and holds shares (less than 1%) in the Company. Mr. Bush has sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bush consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The Technical Report is available for download under the Company's profile on www.sedarplus.ca and on the Company's website at www.southerncrossgold.com.

The information in this MD&A that relates to the current Exploration Target for the Sunday Creek Project, which was first reported by the Company in a market announcement titled "Southern Cross Updates Exploration Target at Sunday Creek Au-Sb Project" dated August 4, 2026 (Vancouver time) is available on the Company's website at www.southerncrossgold.com, on SEDAR+ at www.sedarplus.ca and on the ASX website at www.asx.com.au.

Gold Equivalent Calculation

SXGC considers that both gold and antimony that are included in the gold equivalent calculation ("AuEq") have reasonable potential to be recovered at Sunday Creek, given current geochemical understanding, historic production statistics and geologically analogous mining operations. Historically, ore from Sunday Creek was treated onsite or shipped to the Costerfield mine, located 54 km to the northwest of the project, for processing during WW1.

SXGC considers that it is appropriate to adopt the same gold equivalent variables as Mandalay Resources Ltd (now Alkane Resources Limited) in its 2024 End of Year Mineral Reserves and Resources Press Release, dated February 20, 2025. The gold equivalence formula used by Mandalay Resources (now Alkane Resources Limited) was calculated using Costerfield's 2024 production costs, using a gold price of US \$2,500 per ounce, an antimony price of US \$19,000 per tonne and 2024 total year metal recoveries of 91% for gold and 92% for antimony, and is as follows:

$$\text{AuEq} = \text{Au (g/t)} + 2.39 \times \text{Sb (\%)}.$$

Based on the latest Costerfield calculation and given the similar geological styles and historic toll treatment of Sunday Creek mineralization at Costerfield, SXGC considers that an $\text{AuEq} = \text{Au (g/t)} + 2.39 \times \text{Sb (\%)}$ is appropriate to use for the initial exploration targeting of gold-antimony mineralization at Sunday Creek.

The Company confirms that, as of the date of this MD&A, it is not aware of any new information or data that materially affects the information included in the original document/announcement and the Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

Forward-Looking Statements

This MD&A contains "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are included to provide information about management's current expectations and plans that allow investors and others to have a better understanding of the Company's business plans and financial performance and condition. All statements, other than statements of historical fact included in this MD&A, regarding the Company's strategy, future operations, financial position, prospects, plans and objectives of management are forward-looking statements. Forward-looking statements are typically identified by words such as "plan", "expect", "estimate", "intend", "anticipate", "believe", or variations of such words and phrases or statements that certain actions, events, or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements include but are not limited to, material factors and assumptions relating to, and risks and uncertainties associated with, the availability of financing for activities when required and on acceptable terms, the accuracy of the interpretation of drill results and the estimation of mineral resources and reserves, the geology, grade and continuity of mineral deposits, the consistency of future exploration, development or mining results with our expectations, metal price fluctuations, the achievement and maintenance of planned production rates, the accuracy of component costs of capital and operating cost estimates, current and future environmental and regulatory requirements, favourable governmental relations and support for the development and operation of mining projects, the threat associated with outbreaks of viruses and infectious diseases, risks related to negative publicity with respect to the Company or the mining industry in general, reliance on a single asset, the Company's ability to attract and retain key personnel, planned drill programs and results varying from expectations; litigation risks, the availability of permits and the timeliness of the permitting process, the Company's ability to obtain social acceptability from local communities, dealings with nongovernmental organizations, the availability of shipping services, the availability of specialized vehicles and similar equipment, costs of remediation and mitigation, maintenance of title to our mineral properties, industrial accidents, equipment breakdowns, contractor's costs, remote site transportation costs, materials costs for remediation, labour disputes, the potential for delays in exploration or development activities, other unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant; and other risks and uncertainties, including those described under "Risk Factors" in the Company's most recent Annual Information Form. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended; as a result, the Company provides no assurance that forward-looking statements will prove to be accurate. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward looking statements. Except as required under applicable securities law, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements contained herein are

presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes. Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

Material assumptions underlying the forward-looking statements in this MD&A include: that exploration decline development continues at forecast advance rates and ground conditions do not deteriorate materially; that drilling contractors, rigs and personnel remain available at budgeted costs; that assay turnaround times remain broadly in line with current experience; that expenditure follows the deployment rates described under Liquidity; that Mining Licence Application MIN009040 is determined within the statutory timeframe; that required regulatory approvals, permits and third-party consents are obtained on acceptable terms and timetables; and that gold and antimony prices and the Australian dollar to Canadian dollar exchange rate do not move in a way that materially affects the Company's plans.

Additional Information

All of the Company's public disclosure filings, including its most recent Annual Information Form, management information circular, material change reports, press releases and other information, may be accessed via www.sedarplus.ca, via www.asx.com.au (under the symbol "SX2") or the Company's website at www.southerncrossgold.com. Readers are urged to review these materials, including the Technical Report filed with respect to the Company's Sunday Creek Project.