



24 July 2024

Sierra Nevada Gold June 2024 Quarterly Report

Highlights

Blackhawk Epithermal Project, Nevada

- A seven-hole 1,500m reverse circulation (RC) drill program planned to follow up on drillhole BHD006, which was drilled beneath the historic Endowment Mine.
- The high-grade silver intercepts identified are associated with very high-grade lead-zinc (see table 1), demonstrating potential for extremely high value ore at Blackhawk Epithermal Project.
- SNX's geological team will initiate a field program to complete geological mapping, soil geochemistry surveys and rock chip sampling on vein target areas, to further refine drill targets in preparation for drilling in the third quarter of 2024.
- Blackhawk epithermal project has potential for a significant silver discovery, with 22.5-line kilometres of high-grade silver-gold-lead-zinc veins identified.¹

Other Projects

- SNX commenced a strategic review to progress full or partial asset sales or joint venture partnerships over remaining copper, gold and silver assets in Nevada, USA.

Corporate

- SNX undertook a A\$2.6 million capital raising in May 2024 to advance exploration at Blackhawk epithermal project.²

Sierra Nevada Gold (ASX: SNX) is pleased to provide a report on its activities for the quarter ending 30 June 2024.

Executive Chairman Peter Moore said: "We continue to make strong progress in Q2 2024 as we prepare for a drilling program at Blackhawk to follow up promising results from drill hole BHD006 at Endowment Mine. Importantly we also successfully undertook a A\$2.6 million capital raising which received overwhelming support from new and existing shareholders. The funds raised will be used to advance exploration at our projects in Nevada, particularly at our Blackhawk Epithermal Project. Our team has plans to initiate a field program to further refine drill targets in preparation for drilling in the third quarter of 2024. We look forward to keeping you updated on our developments."

¹ Reported in Sierra Nevada Gold Replacement Prospectus – Page 32, 33 and ASX Announcement dated 21 May 2024.

² See ASX Announcement 30 May 2024 – SNX secures \$2.6 million Placement to advance Blackhawk silver exploration.

Blackhawk Epithermal Project, Nevada

In June 2024, SNX announced it was preparing a drilling program to follow up drill hole BHD006 which returned results including **0.5m at 1,270 g/t Ag** and **1m at 823g/t Ag** at Endowment Mine, part of its Blackhawk Epithermal project in Nevada, USA.¹

SNX has identified a large and high-grade intermediate sulphidation polymetallic epithermal Ag-Au-Pb-Zn vein system at Blackhawk, which is related to a large porphyry system. Partially coincident with, and located north of the Blackhawk Porphyry system, the vein field covers about 5km² and is open under cover to the north and northeast, with 22.5-line km of veins identified to date (see figures 1 & 2 in ASX Announcement 18 June 2024 - SNX prepares to drill silver targets at Blackhawk epithermal project, Nevada (ASX 18/06/2024)).

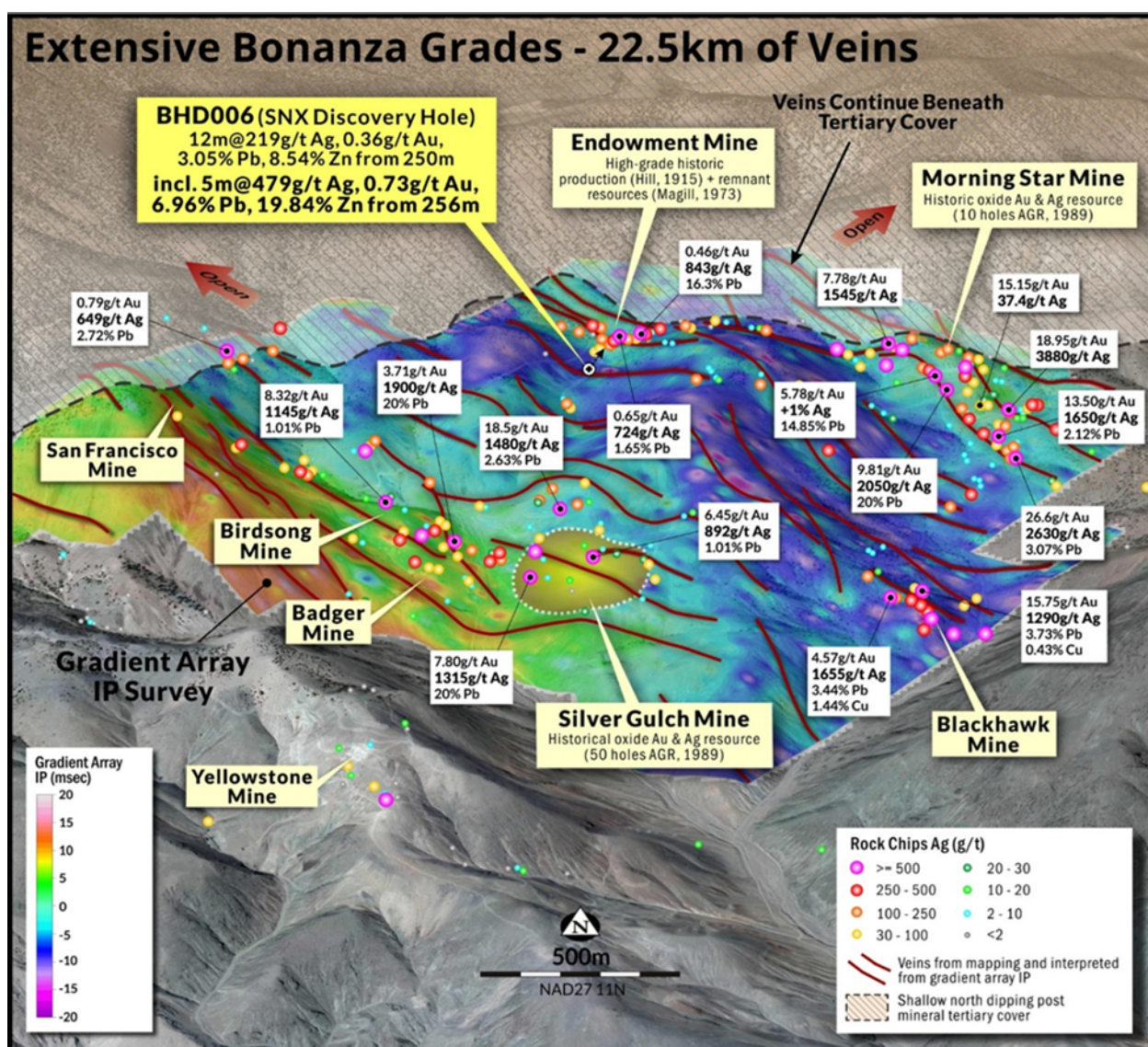


Figure 1 from ASX 18/06/2024: Oblique view looking north of the Blackhawk Epithermal Project with a 3.5km by 2.5km field of view. The Blackhawk Porphyry project is situated in the foreground with the epithermal system being partially coincident with the porphyry system's surface expression.³

³ Reported in Sierra Nevada Gold Replacement Prospectus – Page 198 - 205 and ASX Announcement dated 31 May 2023.

Table 1 from ASX 18/06/2024. Diamond drill-hole assay intersections for mineralised zones (Significant Intersections) from BHD006. Actual vein width not precisely determined at this stage. A true width of vein is estimated to be approximately 60% of downhole sample length. Assay information marked (+) indicates the upper limit of assay technique used.⁴

Hole ID	Sample Number	From (m)	To (m)	Interval (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)	Comments
BHD006	1518	247	248	1	24.4	0.075	0.12	0.31	0.02	Minor quartz and sulphide stringers.
	1519	248	249	1	29.5	0.006	0.08	0.32	0.00	Minor quartz and sulphide stringers.
	1520	249	250	1	5.12	0.011	0.10	0.32	0.00	Minor quartz and sulphide stringers.
	1521	250	251	1	2.37	0.012	0.14	0.34	0.00	Minor quartz and sulphide stringers.
	1522	251	252	1	6.39	0.071	0.13	0.51	0.00	Minor quartz and sulphide stringers.
	1523	252	253	1	2.55	0.015	0.07	0.53	0.00	Minor quartz and sulphide stringers.
	1524	253	254	1	10.5	0.024	0.17	0.41	0.02	Minor quartz and sulphide stringers.
	1525	254	255	1	187	0.367	0.95	0.49	0.28	Sulphide rich breccia with minor banded veining.
	1526	255	256	1	15.35	0.094	0.24	0.67	0.01	Quartz and sulphide infilled breccia.
	1527	256	256.5	0.5	7.93	0.029	0.20	1.44	0.00	Occasional banded veins containing sulphides.
	1528	256.5	257	0.5	1,270	2.58	10.05	11.45	0.27	Banded quartz, yellow-red sphalerite, galena, and MnO after rhodochrosite.
	1529	257	258	1	823	1.075	1.78	29.20	0.29	Banded quartz, yellow-red sphalerite, galena, and MnO after rhodochrosite.
	1530	258	259	1	654	0.347	+20.00	+30.00	0.02	White sphalerite (Fe-poor) and galena cut by MnO after rhodochrosite.
	1533	259	260	1	243	0.54	7.03	14.65	0.05	Banded quartz, yellow-red sphalerite, galena, and MnO after rhodochrosite.
	1534	260	261	1	37.3	0.402	0.85	18.90	0.07	Yellow-red sphalerite, silicified vein and breccia, some MnO.
	1535	261	262	1	5.83	0.035	0.08	0.29	0.00	Minor quartz and sulphide stringers
	1536	262	263	1	4.84	0.041	0.05	0.18	0.00	Minor quartz and sulphide stringers

SNX's geological team will initiate a field program to complete geological mapping, soil geochemistry surveys and rock chip sampling on mapped vein target areas, to further refine drill targets in preparation for drilling. A program of seven reverse circulation (RC) holes is planned for 1500m in the third quarter of 2024 to follow up the result of **1,270 g/t Ag** hit in BHD006 drilled in 2017.

SNX plans to use underground 3D scanning survey of accessible historic workings at the Endowment Mine, adjacent to drillhole BHD006, to map the extent and location of historic workings to accurately target planned drill holes and will initiate a focused, 100m dipole-spaced Induced Polarization (IP) geophysical survey over select sections of the vein system to assist with drill hole targeting, prior to mobilising a rig to site.

⁴ See ASX Announcement 21 May 2024 – SNX to follow up 1,270g/t silver intercept in hole BHD006 at Blackhawk, Nevada, USA.



Strategic Review

In May 2024, SNX initiated a comprehensive strategic review of its assets in Nevada, USA, aimed at evaluating options to maximise value for shareholders.

The review will explore various strategic options, including the possibility of forming joint ventures, strategic partnerships or outright project sales. The objective is to allow the Company to focus its resources on projects with greatest potential and strengthen its position as a junior explorer.

While Sierra Nevada Gold previously prioritised its flagship Warrior Project, the Company recently re-examined the potential at its Blackhawk Epithermal Project, with 22.5-line kilometres of high-grade silver-gold-lead-zinc veins identified which has remained relatively untouched since mining ceased in the area in the 1920s. Following up the high-grade silver intercepts up to 1270 g/t Ag returned from Blackhawk, which is fully permitted and ready for drilling, is a key priority. The Company believes this project could deliver further high-grade results, leading to a company-making discovery.

The Company expects that following its portfolio assessment and the conclusion of partnership discussions, there will be a clear path forward to continue drilling at its most valuable prospects and maximise shareholder value.

Exploration activities for the quarter

During the quarter, SNX undertook the exploration activities outlined above. During the quarter ended 30 June 2024, SNX's cash expenditure on exploration activities was approximately US\$126K.

CORPORATE

Capital Raising

On 30 May 2024, SNX announced it had received firm commitments to raise approximately A\$2.6 million (before costs) by way of a Placement comprising the issue of 46,083,216 new CHES Depositary Interests ('CDIs') in the Company ('New CDIs') at A\$0.056 per CDI ('Offer Price') (the 'Placement').

The Placement attracted very strong demand from both existing shareholders and new investors. SNX will use proceeds from the Placement to fund exploration activity at its Blackhawk Epithermal Silver Project in Nevada, USA, plus working capital, maintenance of Claim fees on SNX's Projects, as well as costs associated with Joint Venture (JV) negotiations for SNX's existing projects.

The Placement issue price represented a 53.3% discount to the last traded price of A\$0.12 on Monday, 27 May 2024 and a 23.6% discount to the 10-day volume weighted average price (VWAP), for the period up to 27 May 2024, of A\$0.073.

Foster Stockbroking Pty Limited acted as lead manager and bookrunner to the Placement.

Placement Details

SNX is undertaking the Placement in two tranches:

- Tranche 1: 19,018,730 New CDIs were issued on 6 June 2024 using the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A to raise a total of \$1.06 million. The first tranche was not subject to shareholder approval, but shareholders are asked to ratify the issue at an Extraordinary General Meeting (EGM) on 31 July 2024.

- Tranche 2: 27,064,486 New CDIs will be issued to raise an additional \$1.52 million, subject to shareholder approval. SNX will seek shareholder approval at the EGM on 31 July 2024.

In addition, Placement subscribers are to be issued one free attaching unlisted option for every two CDIs subscribed for under the Placement. The options will have a 2-year expiry and a 12 cent exercise price. The issue of these options will be subject to shareholder approval at the EGM referred to above.

Annual General Meeting

The Company's Annual General Meeting was held on Wednesday, 29 May 2024. All resolutions were passed on a poll.

Payments to related parties

Payments to related parties disclosed in items 6.1 of the accompanying Appendix 5B are payments of directors fees and salaries.

Use of funds comparison

Set out below is a comparison of the Company's actual expenditure on the individual items in the "use of funds" statement from the date of admission to the official list, and for the two-year period covered by the "use of funds" statement in the IPO prospectus, against the estimated expenditure on those items as set out in the "use of funds" statement in the IPO prospectus.

	Use of funds estimate (per Prospectus) A\$	Cash payments to 2 May 2024 A\$*
Exploration expenditure	7,685,000	8,537,470
Project payments and claim fees	640,000	601,366
General administration and working capital	521,000	1,705,554
Estimated expenses of the offer	1,154,000	416,913
Totals	10,000,000	11,261,303

* - the Company's accounts are maintained in US\$; the A\$ amounts above are calculated using the average exchange rates during the relevant period

The Company considers that it is generally "on track" regarding its exploration projects and has achieved encouraging results. However, exploration expenditure to date has been significantly higher than budgeted for the relevant comparative period, reflecting the level of expenditure for mobilization, establishment, and execution of the Company's drilling campaign, as well as high general increases in cost levels compared to original budgets and the adverse effects of unforeseen delays in securing drilling equipment, unforeseen weather events and unfavourable foreign exchange rates, with the latter contributing to higher than expected A\$ amounts for expenditure incurred in US\$ following conversion to A\$ values. General administration and working capital costs are higher than budgeted due to unforeseen delays, general global cost increases, inflation, supply chain issues, unforeseen unbudgeted costs, and unfavourable foreign exchange movements, as noted above. The Company will monitor these factors and manage its forecast expenditure, cashflow requirements and assess funding options as required. In addition, payments for the actual costs of the offer

were below the estimate in the IPO prospectus as the Company paid for some offer expenses from available funds prior to the date of admission to the official list and prior to the receipt of IPO funds.

About Sierra Nevada Gold (SNX)

Sierra Nevada Gold (SNX) is an ASX-listed company actively engaged in the exploration and acquisition of precious and base metal projects in the highly prospective mineral trends in Nevada, USA since 2011. The Company is exploring five 100%-controlled projects in Nevada, comprising four gold and silver projects and a large copper/gold porphyry project, all representing significant discovery opportunities for the company.



Figure 2. Location of SNX projects in Nevada, USA showing the location of the major gold and copper deposits.

This announcement was authorised for release by Mr Peter Moore, Executive Chairman of SNX.

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Competent Persons Statement

Information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr. Brett Butlin, a Competent Person who is a fellow of the Australian Institute of Geoscientists (FAIG). Mr. Butlin is a full-time employee of the Company in the role of Chief Geologist and is a shareholder in the Company. Mr. Butlin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Butlin consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 1 – Schedule of Claims

ASX listing rule 5.3.3

Country	Project	Tenement ID	Tenement Name	Area (km ²)	Interest at beginning of quarter	Interest at end of quarter	Comment
USA	Blackhawk	NMC1183493	BH Claims (206 Claims)	16.67	100%	100%	No Change
USA	Blackhawk	NMC1165344	BK Claims (194 Claims)	15.70	100%	100%	No Change
USA	Blackhawk	NMC1097391/ NMC1116711/ NMC1174223	EX/MEX Claims (230 Claims)	18.61	100%	100%	No Change
USA	Blackhawk	NMC1110298	Blackhawk Claim (1 Claim)	0.008	100%	100%	No Change
USA	Blackhawk	NMC1203497	GF Claims (8 Claims)	0.65	100%	100%	No Change
USA	Blackhawk	NMC1106537/ NMC1141061	D, EN, MA Claims (12 Claims)	0.97	100%	100%	Managed Third Party Claims
USA	Blackhawk	NMC799825	HP Claims (5 Claims)	0.40	100%	100%	Managed Third Party Claims
USA	Blackhawk	Patent 21683	SFO Patent (1 Patent)	0.008	100%	100%	Managed Third Party Patent
USA	Colorback	NMC1045249	Colorback Claims (34 Claims)	2.75	100%	100%	Managed Third Party Claims
USA	Colorback	NMC1045242	Scotty Group Claims (8 Claims)	0.65	100%	100%	Managed Third Party Claims
USA	Warrior	NMC1061934	WA Claims (91 Claims)	7.36	100%	100%	No Change
USA	Warrior	Not assigned	WR Claims (156 Claims)	12.63	100%	100%	No Change
USA	Warrior	NMC110779/ NMC343517/ NMC343528	Hillside Claims (13 Claims)	1.05	100%	100%	Managed Third Party Claims
USA	New Pass	NMC1085427	NP Claims (62 Claims)	5.02	100%	100%	No Change
USA	New Pass	NMC1051851	PW Claims (114 Claims)	9.23	100%	100%	No Change
USA	New Pass	NMC870386	Jung Claims (4 Claims)	0.32	100%	100%	Managed Third Party Claims
USA	New Pass	Jung Patents	Jung Patents (8 Patents)	0.65	100%	100%	Managed Third Party Patents

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sierra Nevada Gold Inc.

ARBN

Quarter ended ("current quarter")

653575618

30 June 2024

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (6 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(97)	(121)
	(e) administration and corporate costs	(183)	(273)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(280)	(394)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(126)	(286)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (security deposits)	-	-
2.6	Net cash from / (used in) investing activities	(126)	(286)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	743	743
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(84)	(84)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Payment of Lease liabilities	(10)	(21)
3.10	Net cash from / (used in) financing activities	649	638
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	600	899
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(280)	(394)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(126)	(286)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	649	638
4.5	Effect of movement in exchange rates on cash held	1	(13)
4.6	Cash and cash equivalents at end of period	844	844

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	844	600
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	844	600

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	97
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8. Estimated cash available for future operating activities	US\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(280)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(126)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(406)
8.4 Cash and cash equivalents at quarter end (item 4.6)	844
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	844
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.08
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2024

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.