



**Breakaway  
Research**

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### Capital Structure

ASX Code	SXG
Share Price	A\$0.069
Ordinary Shares	265.1m
Options	39.8m
<b>Market Cap</b>	<b>A\$18.3m</b>
Less: Cash	A\$3.9m
Add: Debt	-
<b>Enterprise Value</b>	<b>A\$14.4m</b>

### Directors & Management

Chairman	Samantha Tough
Managing Director	Glenn Jardine
Non-Exec. Director	Graham Brock
Non-Exec. Director	John Rowe

### Major Shareholders

Mineral Resources Ltd	14.0%
Western Areas	5.6%
Management/Board	3.0%

### Company Details

<b>Address</b>	Unit 16, 162 Colin Street West Perth WA 6872
<b>Phone</b>	+618 9215 7600
<b>Web</b>	www.scross.com.au

### 1 Year Price Chart



Source: Bloomberg

# Southern Cross Goldfields (SXG)

*Emerging Western Australian gold producer, focused on consolidation and development of the underexplored Marda gold belt, including extensive gold and base metals exploration potential*

## Recommendation: Speculative Buy

### Key Points:

- **SXG holds a tenement position comprising ~4,000 sq km, including the underexplored Marda region of Western Australia.**
- **SXG boasts a sizeable gold resource of ~600,000 oz and is finalising a Feasibility Study (FS) to examine production options.**
- **The FS assumes a base case operation of ~30,000 oz p.a. producing at a cash cost of A\$800/oz over an initial 5-year life.**
- **There is strong likelihood of significant mine life extensions once production is established, as well as strong resource growth.**
- **Marda also includes the extremely exciting high-grade Copper Bore prospect, which has received only limited exploration so far.**
- **SXG is well funded to maintain its exploration and development momentum, recently raising \$3.3m via a 2-for-5 rights issue.**

*Southern Cross Goldfields has a specific focus on the Marda region of Western Australia, where it boasts an acreage position of ~3,000 sq km. Mainly due to a fragmented tenement ownership history, Marda has remained a vastly underexplored gold belt, especially by WA standards.*

*A Feasibility Study is underway to evaluate the commerciality of a stand-alone gold operation at Marda. The final results are expected in early 2012, and are expected to show a robust operation producing ~30,000 oz p.a. over an initial 5-year life at a cash cost of ~A\$800/oz.*

### Project Overview:

Whilst SXG is currently being valued as an exploration company, it has detailed plans in place to become a gold production company via development at Marda. SXG's strategy involves the consolidation of regional deposits delivering ore to a centrally-located Marda gold processing facility, where the bulk of its ~600,000 oz gold resource base is located. SGX is undertaking a FS that's aimed for completion by Q1 2012.

Production would initially involve a modular 400,000tpa gold processing facility, with ore feed from four deposits at Marda Central - comprising Python, Dugite, Dolly Pot and Goldstream. Production would then expand via higher-grade material from nearby satellite deposits such as King Brown and Golden Orb and/or Battler - from the southern portion of SXG's tenement area. Importantly, all are located on granted Mining Leases.



## Investment Review

### Strategic Ground Position

*SXG has a dominant ground position in a strategic but vastly underexplored gold region*

SXG maintains a vast ~3,000 sq km acreage position in one of Western Australia's most underexplored gold regions, the Marda province. It's a first-class exploration address, boasting ~400,000 ounces in gold resources. A good analogy is the Southern Cross gold belt that lies just 150km to the south, which has a long and successful mining history in the hands of Sons of Gwalia and more recently St Barbara Mines (ASX: SBM). The Southern Cross belt is also supported by abundant mining and production infrastructure, but Marda just a short distance to the north has been virtually ignored.

### Strong Development Potential

*Interim Feasibility Study results have reinforced Marda's sound forecast economics*

Not only does SXG's Marda acreage boast a sizeable gold resource base, but these ounces have a strong likelihood of supporting a profitable gold operation. A Feasibility Study is currently underway, with expected completion during early 2012. The interim results have proven to be highly encouraging and supportive of the company's positive outlook for the Marda project, reinforcing cost and production assumptions.

*Base C1 cash operating cash costs of <A\$800/oz*

Item	Description
Base Case Production	1.8Mt @ 2.58g/t Au for 150,000oz
Average annual production	31,500oz
Base Case mine life	4.5 years
Average C1 cash operating cost	A\$790/oz
Pre-tax project operating cash flow	A\$130M
Pre-production capital estimate (based on all new equipment)	A\$55M
Annual mine sustaining capital	A\$2M

Source: SXG

### Profitable at Current Prices

*Robust forecast cash margins*

Assuming a current spot gold price of US\$1,650/oz and conservative exchange rate assumptions, Marda would generate a strong cash margin of ~A\$900/oz. There is flexibility to schedule high-grade production from existing deposits to maximise gold production and cash flow in the early years of the proposed operation. There is significant leverage from even moderate increases to the annual gold production rate.

### Project Resource Keeps Growing

*In-fill drilling has continued to enhance both the size and confidence associated with the Marda resource base*

Importantly from a Feasibility Study perspective, in-fill drilling has resulted in the JORC Measured resource base more than doubling from 1.4Mt at a grade of 2.0 g/t Au for 87,000 ounces of contained gold in 2010, to 2.8Mt at 2.26 g/t Au for 203,000 ounces of contained gold now. The company's overall Marda resource has increased from 7.2Mt at a grade of 1.9 g/t Au for 436,000 ounces of contained gold in 2010, to 8.8Mt at a grade of 2.07 g/t Au for 589,000 ounces of contained gold now.

### Project Team That Can Deliver

*Glenn Jardine boasts a wealth of mine development experience*

SXG has a first-class board and management team led by MD Glenn Jardine, who along with other Board members have superb mine development credentials, with a host of successful Australian-based gold and nickel operations for Goldfields, MPI Nickel, LionOre and Evolution Mining.

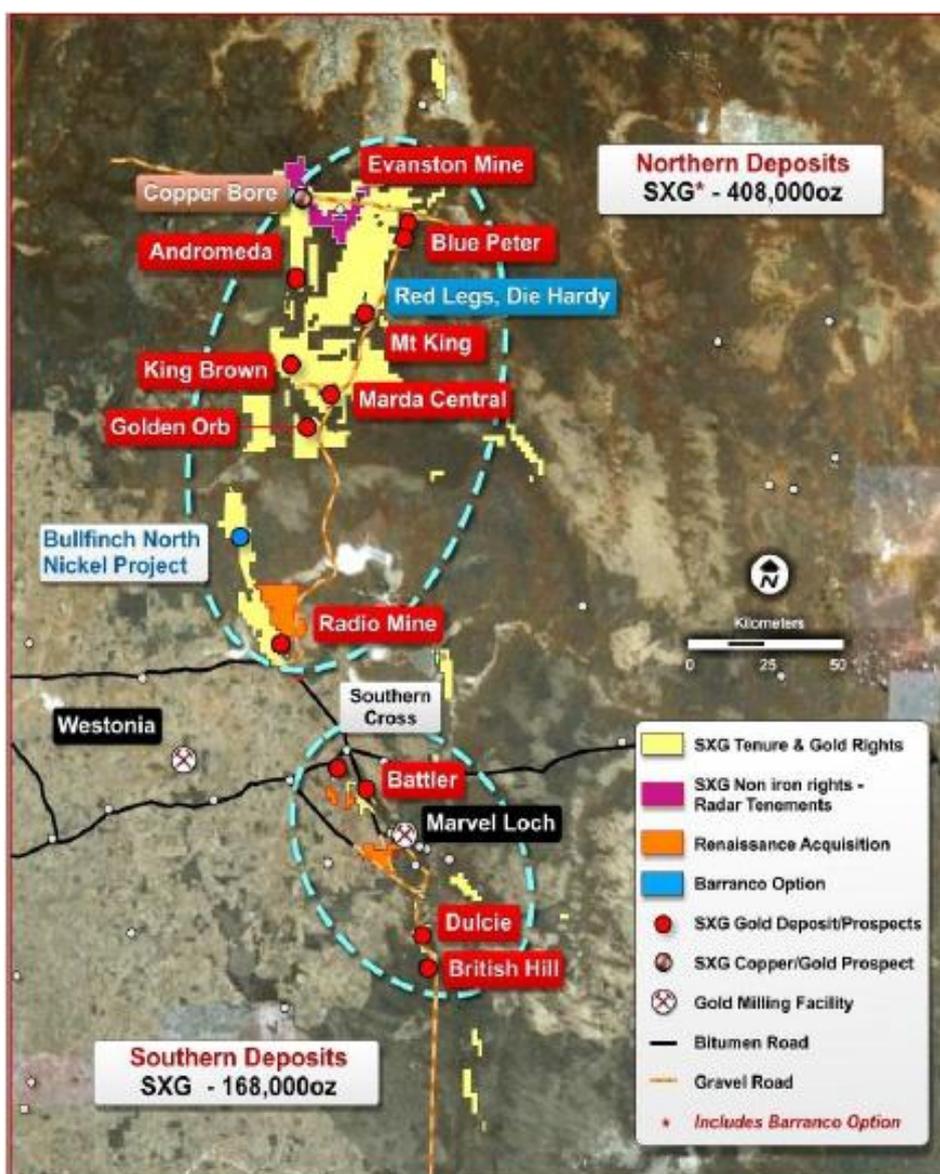


## Project Review

### Marda Gold Project (100% SXG)

#### Overview

SXG's dominant 3,000 sq km acreage position across the Marda region of Western Australia, includes extensive exposure to the highly prospective Evanston Shear and Andromeda Trend where significant gold mineralisation has been identified and where excellent upside exists for further discoveries. The company has a total JORC-compliant resource inventory of ~400,000 ounces of gold across a portfolio of predominantly oxide gold deposits. Resource upgrades have just been completed following excellent drilling results during H1 2011 at each of the company's deposits and prospects.



Source: SXG

SXG has implemented a gold production and consolidation strategy based on the establishment of a centrally located gold processing facility at the Marda Project, where the bulk of its resource base is located. A Feasibility Study is underway to define the gold production potential within the company's portfolio of gold projects.



## Production Scenario

*Initial production estimates of 30,000 oz p.a. could comfortably be increased to 50,000 oz p.a.*

SXG has released interim results for the Feasibility Study on the Company's base case production scenario of a minimum initial production rate of 30,000 oz p.a. over five years. The opportunity exists to increase this minimum initial production rate to 50,000 oz p.a. with extensions to its existing deposits, the inclusion of production potential from its existing regional prospects (Andromeda, Blue Peter, Evanston) and inclusion of resources from recent regional consolidation activities, including Red Legs and Die Hardy deposits – 140,000oz (acquired under option from Barranco Resources NL) –and the Radio gold mine (under an earn-in arrangement with Renaissance Minerals).

*A centralised treatment plant at Marda will generate opportunities*

The establishment of a central gold processing facility at Marda will open up the company's extensive exploration portfolio in the Marda region to focused exploration to provide additions to the base case production scenario. SXG's extensive tenement holdings have significant exploration upside and offer excellent potential for additional discoveries. The company is also pursuing opportunities to increase its resource base through acquisitions and consolidation in the region.

*SXG is set for first production during 2013*

## Interim Feasibility Study Results

Interim results from the Feasibility Study released during November have defined a robust initial base-case gold operation, based on the establishment of a 400,000tpa stand-alone gold processing facility at Marda that treats ore from multiple open-pit sources. The interim results pave the way for completion of the Feasibility Study during Q1 2012 and lay the foundation for SXG's transition to gold production during 2013.

Item	Description / Estimate
Whittle optimization results	1.8 Mt @ 2.58 g/t Au for 150,000 oz
Mining method	Open-pit
Processing rate	400,000 tpa
Metallurgical recovery	95%
Average annual gold production	31,500 ounces annually
Base-case mine life	4.5 years
C1 cash operating costs	A\$790 per ounce recovered
Pre-Production capital cost	A\$55 million
Pre-tax operating cash flow	A\$130 million
Annual sustaining mine capital	A\$2 million
Construction commencement	H2 2012
First production	H1 2013

Source: SXG

*Production scheduling will be utilised to maximise production and cash flow during the early years*

The interim results are based on detailed feasibility study work conducted to date particularly the updated resource estimate, Whittle pit-shell optimisations and capital and operating cost estimates. Work required to finalise the study includes additional metallurgical test-work, geotechnical analysis and detailed documentation.

SXG has the flexibility to schedule high-grade production from existing deposits to maximise gold production and cash flow during the early years of the proposed operation. The potential definition of additional Measured and Indicated Resources at would provide the opportunity to upgrade the throughput rate of the proposed modular process plant. There is significant leverage from even moderate increases to the annual gold production rate to enhance the initial Base Case.



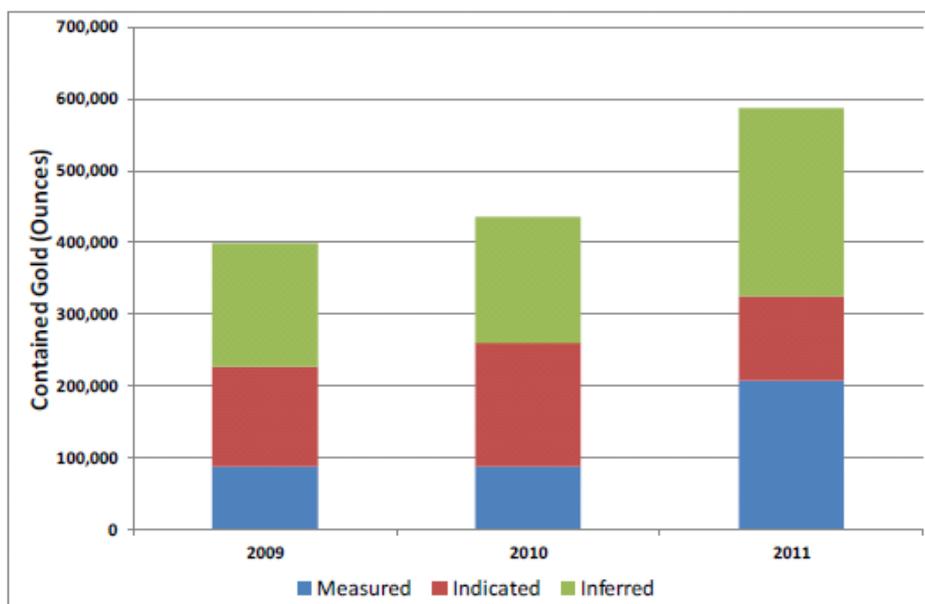
High-grade mineralisation has been intersected below the Whittle open-pit optimisations particularly at the Battler, Golden Orb and King Brown deposits and below existing workings at the historic Radio gold mine. These high grade intercepts may provide additional ounces to further extend the facility life.

### Resource Enhancement

In-fill drilling during 2011 has resulted in the JORC Measured resource base more than doubling from 1.4 million tonnes at a grade 2.0 g/t Au for 87,000 ounces of contained gold during 2010, to 2.8 million tonnes at 2.26 g/t Au for 203,000 ounces of contained gold now. The company's overall resource base has increased by 35% from 7.2 million tonnes at a grade of 1.9 g/t Au for 436,000 ounces of contained gold contained in 2010, to 8.8 million tonnes at a grade of 2.07 g/t Au for 589,000 ounces of contained gold. This includes the Barranco option, which comprises 140,000 ounces of JORC Inferred resource at the Red Legs and Die Hardy deposits. The Feasibility Study is based on the revised Measured and Indicated categories of the JORC Mineral Resource Estimate completed in November 2011 by Ravensgate Minerals Industry Consultants incorporating all in-fill and extensional drilling completed by the company during 2011.

*Infill drilling has more than doubled the Measured Resource base to 203,000 oz*

*There's been almost 50% resource growth over the past two years*



*90% of initial production will come from Measured Resources*

Open-pit mine designs using Gemcom Whittle optimisation software (Whittle optimisations) have been undertaken by Rock Team Technical Services on the Measured and Indicated Mineral Resources for the Marda Central, Golden Orb, King Brown, Battler and British Hill deposits. The Whittle optimisations resulted in an initial Base Case production of 1.8Mt @ 2.58 g/t Au for 150,000 ounces of gold contained. **Importantly, ~90% of the Base Case production from the open-pits comes from the JORC Measured resources, as a result of close-spaced in-fill drilling. This greatly improves the confidence in the project which will assist in the financing discussions.**

The Base Case production from the Whittle optimisations was scheduled on a monthly basis and cost parameters used in the open-pit designs (Whittle optimisations) were confirmed by the establishment of detailed fixed and variable operating costs on a first principles basis. The composition and capital cost of the mining fleet and ancillary equipment has been determined from manufacturer's productivity and availability data and quotations.



Geotechnical diamond drilling has been undertaken at each of the deposits and analysis of this data has been completed at two deposits. The Company intends to progress analysis at the other deposits in order to finalise details surrounding the pit wall parameters leading into detailed open pit designs. Analysis conducted to date has confirmed the appropriateness of the pit wall parameters used in the Whittle optimisations.

*Whittle optimisation has only been conducted on the company's Measured Resource base*

Whittle open pit optimisations have not been reported on the Company's JORC Inferred Resources, including: Red Legs/Die Hardy (1.7 million tonnes @ 2.54 g/t Au for 140,000 ounces of contained gold; and Mt King (523,000 tonnes @ 3.00 g/t Au for 50,000 ounces of contained gold contained). In-fill and extensional drilling at the company's existing deposits and prospects would be required to define additional Measured and Indicated Resources. Regional prospects include Andromeda, Blue Peter and the Evanston Mine.

#### Whittle Optimisation Results

Deposit	Tonnes	Grade (g/t)	Contained Gold (Oz)
Marda Central	1,400,000	2.00	74,000
King Brown	110,000	4.32	15,000
Golden Orb	280,000	3.33	30,000
Battler	170,000	3.58	20,000
British Hill	100,000	3.58	11,000
<b>Total</b>	<b>1,800,000</b>	<b>2.58</b>	<b>150,000</b>

*Treatment of satellite deposits could add a further 50,000 oz of contained gold production*

High-grade mineralisation has been intersected below the Whittle open-pit optimisations particularly at the Battler, Golden Orb and King Brown deposits and below existing workings at the historic Radio gold mine. Importantly, the company has the flexibility to schedule high-grade production from existing deposits to maximise gold production and cash flow in the early years of the proposed operation. For example the treatment of King Brown and Golden Orb deposits in the first year of operation would result in the processing of 390,000 tonnes at a grade of 4.0 g/t Au for 50,000 ounces of contained gold.

*Definition of additional resources will provide opportunity for expanded throughput*

**The potential definition of additional Measured and Indicated Resources by in-fill drilling within the regional deposits and prospects during the early years of the operation would provide the opportunity to upgrade the throughput rate of the modular process plant. There is significant leverage available to enhance the initial Base Case production and cash flow through increases to the annual production rate.**

#### Processing Options

The anticipated process flow-sheet is based on metallurgical test-work conducted to date and represents a typical free milling carbon-in-leach (CIL)/carbon-in-pulp (CIP) gold processing circuit comprising:

*SGX will utilise a simple process flow-sheet*

- Two stage crushing
- Single stage milling
- Gravity recovery
- CIL/CIP leaching and adsorption
- Elution and carbon regeneration
- Gold smelting
- Tailings disposal



## Exploration

*SGX is targeting exploration along 17km of the Evanston Shear Zone*

In addition, SGX's extensive tenement holdings offer excellent potential for the discovery of significantly larger deposits in soil-covered areas along strike from known gold mineralisation. The company is undertaking an aggressive exploration program targeting 17km of the regionally significant Evanston Shear Zone south of the Red Boomerang prospect, where porphyry-hosted mineralisation has been identified.

*Potential for large mineralised systems*

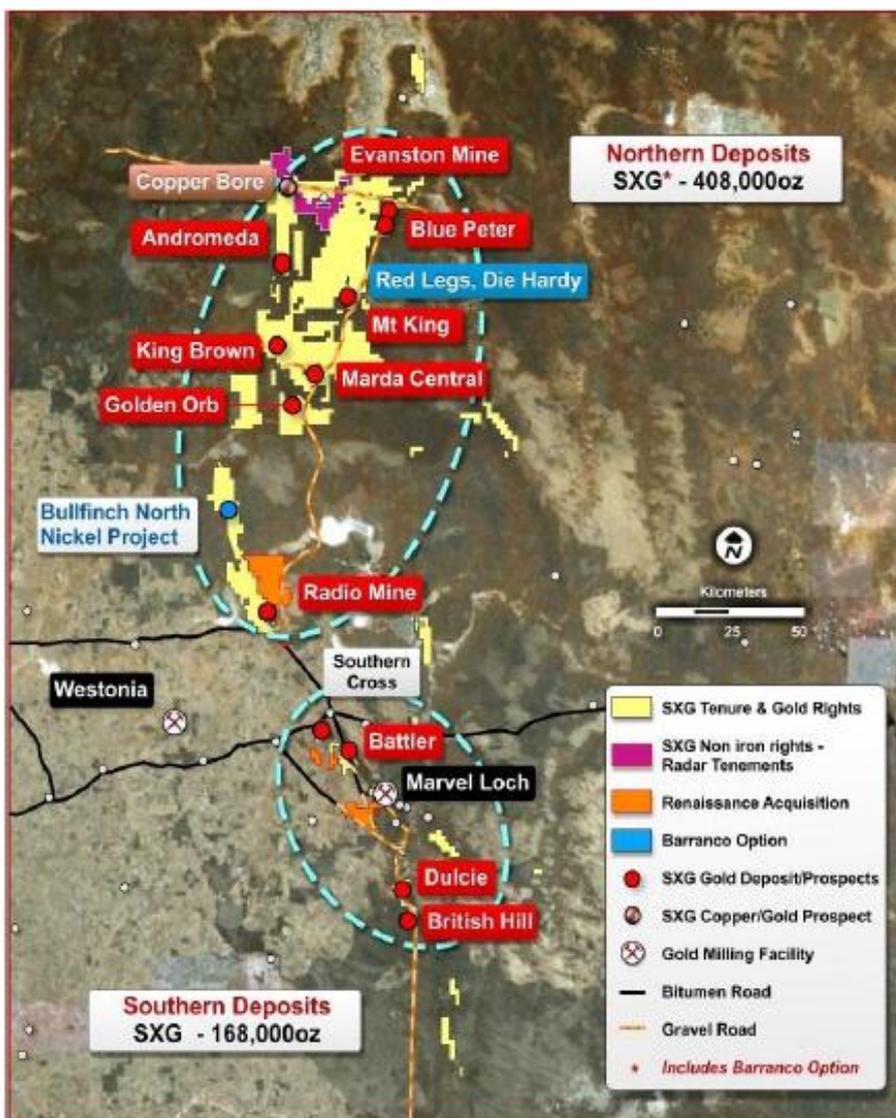
This porphyry host demonstrates the potential for large mineralised systems along the Evanston trend by analogy with other porphyry-hosted systems in the Yilgarn Craton, such as Kanowna Belle. To the north of Red Boomerang there is potential for significant gold mineralisation along 20km of prospective strike that has only had light exploration.

*Three-pronged exploration approach*

Accordingly, SXG has a three-pronged plan for future exploration:

1. Increase the Resource/Reserve base at existing deposits - extensional and in-fill drilling
2. Establish initial resource estimates for key targets - Blue Peter and Andromeda
3. Greenfields exploration program - targeting significant new discoveries

*SGX maintains ~3,000 sq km of acreage at Marda*



*And a further ~1,000 sq km of acreage at Southern Cross*

Source: SXG



### Acreage and Project Breakdown

Item	Acreage (sq km)	Resources (oz)
Marda	3,000	408,000
Southern Cross	1,000	168,000

#### Northern Deposits

The Northern Deposits comprise Marda Central and two satellite deposits - King Brown and Golden Orb. As we mentioned earlier, Marda Central has been selected as the location for the company’s proposed 400,000tpa gold processing facility. King Brown is located 20km to the west and Golden Orb 15km to the south of Marda Central. All deposits are located on granted Mining Leases.

Four deposits – Python, Dugite, Dolly Pot and Goldstream – are located at Marda Central, immediately adjacent to the site of the company’s proposed central gold processing facility. During the recent September Quarter, in-fill RC and diamond drilling was undertaken at Marda Central, whilst RC drilling was conducted at Goldstream to increase the drill density and improve JORC resource confidence. Diamond drilling was conducted at all deposits in order to obtain samples for metallurgical test-work, geotechnical evaluation and resource estimation.

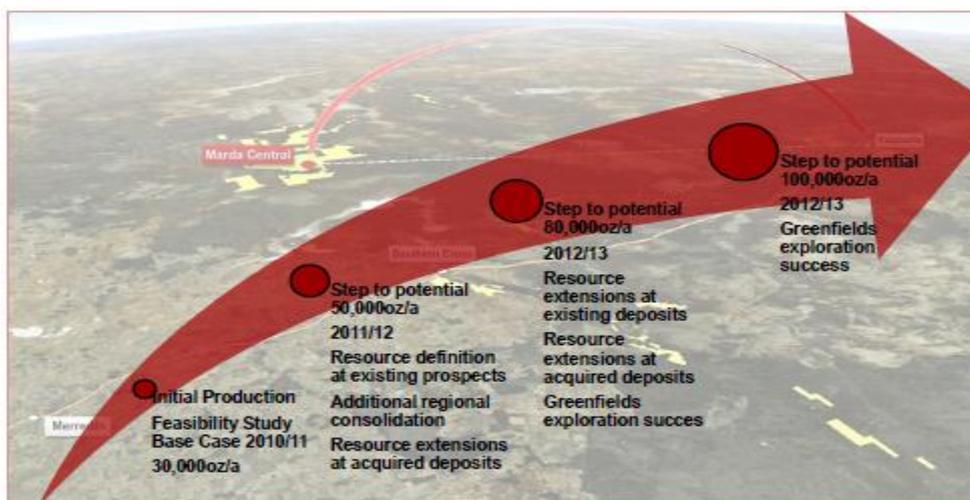
**Golden Orb** is one of the company’s largest mineralised systems extending over a strike length of approximately 1km with potential extensions to the existing resource near-surface along strike and at depth. High-grade drilling results were returned from the Golden Orb deposit during the Quarter and included intersections of **18m at 5.8 g/t Au** (including **10m at 8.5 g/t Au**, **5.5m at 3.7 g/t Au** and **0.2m at 13.9 g/t Au**), confirming that the mineralised system extends to at least 150m depth below surface. The results will be included in an updated resource estimate for Golden Orb to be included in the Feasibility Study.

*Golden Orb is one of the most exciting exploration prospects*

#### Southern Deposits

The Southern Deposits include Battler and British Hill, which are located on granted mining leases ~15km and ~75km south of Southern Cross. The Southern Deposits are situated within the company’s ~1,000 sq km acreage package at Southern Cross. The resource estimates for these deposits are being updated and Whittle pit shell optimisations and detailed mine plans are being undertaken as part of the Feasibility Study.

*SXG’s planned production and resource growth*



Source: SXG



**The Dulcie Gold Project** is located within the Parker Range Project Group, around 40km south of the regional mining centre of Marvel Loch. The project comprises a gold laterite resource of 1.12Mt @ 0.68g/t Au for 24,600 ounces of contained gold, which is amenable to extraction using heap leach methods. The Dulcie project is located on granted Mining Leases. Borefields exist to the north and south of the deposit and have been used previously for similar scale heap-leach operations. Environmental studies into flora and fauna have been completed by the company.

*SGX is evaluating future gold production at Dulcie as part of a broader Marda development*

SGX has continued to progress the project, including undertaking additional metallurgical optimization test-work and cost estimates to identify processing opportunities that may improve the economics of the project. Environmental and heritage studies have continued in order to assist with approvals that may be required. Mining Leases and Miscellaneous Licences have been applied for and granted to cover the project area, water supply sources and pipeline routes. Several parties have reportedly provided the company with proposals to develop the project and these will be considered along with internal development options.

### **Copper Bore Base Metal Project**

*Copper Bore is a hugely exciting emerging copper play*

Copper Bore is a hugely exciting new exploration play with the Southern Gossan prospect at Marda, located at the southern end of a 10km long prospective VMS horizon. **The discovery of Copper Bore is a great example of the underexplored nature of the Marda region.** The company's first-pass RC drilling program at the Southern Gossan prospect during July 2011 returned a broad intersection of **12 metres** grading **1.2% copper, 1.1g/t gold, 5.5% zinc, 0.4% lead and 18.8g/t silver** from 165m down-hole in drill hole CBRC020. The intercept included a high-grade zone of **5m** grading **2.0% copper, 1.9g/t gold, 7.1% zinc, 0.4% lead and 25.4 g/t silver**.

*Copper Bore demonstrates strong VMS characteristics*

Mineralisation in drill hole CBRC020 lies close to the basalt/phyllite contact, but is enclosed within altered basalt. This position and the metal assemblage are consistent with a VMS-style (volcanogenic massive sulphide) base metals deposit. This style of deposit often occurs in clusters within favourable horizons. Down hole electromagnetic (DHEM) surveys conducted in drill hole CBRC020 confirmed that the mineralised host rock extends beyond existing drilling and correlates with historic mapping and drilling showing that the mineralised horizon extends along strike to the north and south.

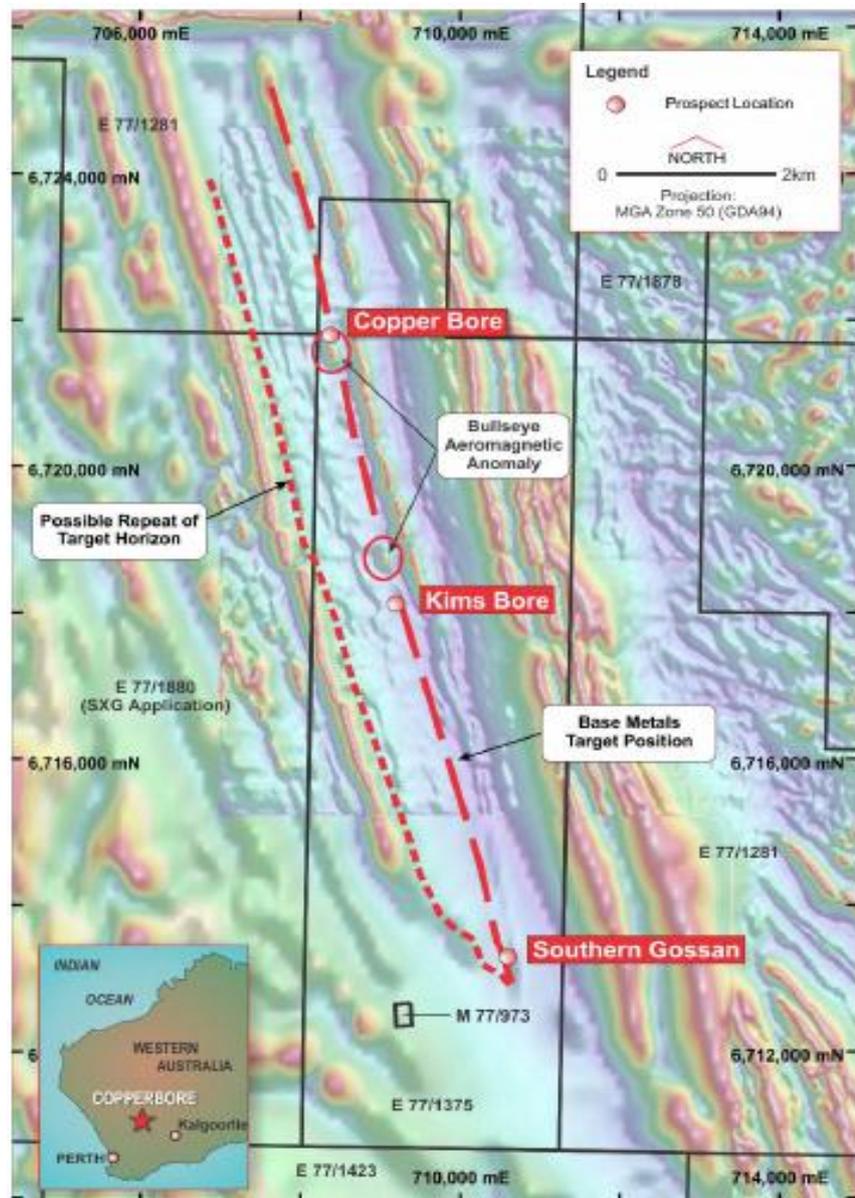
*Drilling shows extensions to the mineralisation*

Follow-up hole SGRC003 was designed to test the down-hole electro-magnetic (DHEM) conductor and it subsequently returned a strong intersection of gold and silver-enriched base metal sulphides comprising **2m @ 2.0% Cu, 2.0g/t Au, 4.3% Zn, 32.6g/t Ag and 0.2% Pb from 103m depth down-hole. The new intersection is located 60m above the mineralisation previously encountered in drill hole CBRC020.** The mineralisation intersected in drill hole SGRC003 comprises massive and disseminated sulphides. Sulphide minerals include chalcopyrite, sphalerite, pyrite and pyrrhotite, similar to the mineralisation intersected in CBRC020. The sulphide interval in SGRC003 is at the expected geological contact and coincides with the modelled EM conductor identified from a recently completed DHEM survey.

SGX also holds non-iron rights immediately surrounding the project area, putting it in a strong position to capitalise on any further discoveries in the district. The presence of copper and zinc mineralisation at several locations over 10km of strike indicates potential for multiple VMS mineralised centres along the trend.

*Mineralisation has now been identified down-plunge and to the south of the original discovery hole*

During late 2011, SXG announced assay results from recent step-out drilling which confirmed a significant down-plunge extension of the recently discovered Southern Gossan prospect. Step-out diamond drill hole SGRC004D returned an intersection of **2.6 metres @ 3.0% Cu, 0.9g/t Au, 4.2% Zn, 19.2g/t Ag and 0.2% Pb from 265.4m down-hole depth** within a broader anomalous intersection of **4.0m @ 2.2% Cu, 0.7g/t Au, 3.1% Zn, 14.3g/t Ag and 0.2% Pb from 265m down-hole**. SGRC004D is the second step-out hole to be drilled at Southern Gossan, testing the mineralised horizon 60 metres to the south and 80 metres down-dip of previous drill hole CBRC020.



Source: SXG

*Extensive EM testing will be the key to future drill hole locations*

This was followed-up by SGRC005D, which targeted a position approximately 130 metres down-dip of previous drill hole SGRC004D and intersected ~1.5 metres of massive and ~10 metres of disseminated sulphides. SGRC005D is the first of two step-out holes (the other SCRC006D) in the immediate vicinity of previously intersected mineralisation at Southern Gossan. Assays from both holes are expected shortly.

SXG intends to complete the surface EM coverage which has only partially tested the target horizon to date. Additionally, two bulls-eye aeromagnetic anomalies located between the Kims Bore and Copper Bore prospects coincide with the target horizon



and may present excellent drill targets once geophysical modelling has been completed. The known strike to be explored in the Copper Bore project is in excess of 10km and there is evidence that the mineralised horizon is folded and repeated to the west. This western horizon is also 10km long and has not received any exploration for base metals. The horizon will be mapped and sampled by SXG to define new targets.

*VMS mineralisation has now been identified over a 150m strike length and to a depth of 280m*

**The new intersection including its higher copper grade than previous results is viewed as highly encouraging by SXG's geological team, providing further significant evidence for an emerging VMS discovery at the Southern Gossan prospect, where VMS mineralisation has now been defined over a strike length of ~150 metres and to a vertical depth of ~280 metres. The results so far are extremely encouraging and SXG intends to prioritise exploration activities in parallel with its ongoing gold exploration and development activities at Marda.**

### **Western Areas Farm-Out**

*SXG has farmed-out a large chunk of the nickel rights over its acreage to high-profile nickel producer, Western Areas*

SXG has reached agreement with nickel producer Western Areas (ASX: WSA) that will enable WSA to acquire 70% of SXG's nickel rights across much of the company's Marda and Southern Cross 4,000 sq km tenement portfolio. Under the agreement, WSA acquires 70% of SXG's nickel rights for consideration of \$1.5 million in cash along with minimum funding commitments of \$1 million on nickel sulphide exploration during the first year after completion of the agreement, followed by minimum annual expenditure commitments of \$250,000 to year 5 and \$300,000 thereafter.

*SXG has previously achieved positive nickel indications along its vast 66km prospective strike length*

Previous exploration undertaken by SXG and others has resulted in the identification of multiple nickel sulphide targets within the Bullfinch North tenements, which include a 66km strike length with known favourable nickel sulphide host rocks (olivine cumulates). These include multiple targets, some with known drill intersections, such as Trough Well, Lady Agnes, Scorpio and Sirius. At Trough Well, previous RC drilling has intersected multiple zones of nickel sulphides within a classic Kambalda-style setting including an intercept of 20m @ 0.62% Ni including 4m @ 1.41% Ni.

*SXG will benefit from an active, well-funded exploration program under WSA*

The agreement ensures that appropriate resources are allocated to testing the nickel potential of the Marda and Southern Cross tenements. It also provides SXG shareholders with a highly leveraged exposure to any exploration success. The agreement is structured in such a way that SXG retains exposure to any future nickel exploration upside by retaining a 30% stake in any nickel mineralisation discovered.

### **Corporate – Renounceable Rights Issue**

*A capital raising of \$3.3m has been completed that will ensure the company is well funded through its exploration and appraisal programs*

SGX has looked to maintain its strong exploration and emerging production momentum by successfully raising \$3.3 through a 2-for-5 Renounceable rights issue at an issue price of 6.5 cents per share. SXG's directors took up their entitlements under the rights issue.

The proceeds from the rights issue will be used to:

- complete documentation for the Marda Gold Project Feasibility Study;
- undertake funding activities to secure financing for the Marda Gold Project;
- progress exploration on the Marda region's underexplored areas,
- accelerate exploration at the emerging Copper Bore VMS Project;



## **Directors & Management**

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**Samantha Tough (Non-Exec Chairman)** has a broad range of experience encompassing commercial and legal skills, particularly in the energy industry

**Samantha Tough (Chairman)** has a unique mix of leadership, commercial and legal skills and experience. Samantha holds positions as Chairman of Structerre Pty Ltd, the largest engineering service company in Western Australia; she is a Non-Executive Director of Advanced Well Technologies Pty Ltd; and she is a member of Curtin University of Technology's Investment Committee. Samantha has senior executive management experience in oil and gas, including General Manager, North West Shelf for Woodside Energy Ltd; and Director of Strategy for Hardman Resources Ltd. She has worked in the venture capital industry for a number of years. Samantha has a law degree from University of Western Australia and is entitled to fellow status from the AICD.

**Glenn Jardine (Managing Director)** is a mining engineer with a wealth of experience developing and operating gold and nickel mines within Australia

**Glenn Jardine (Managing Director)** is a mining engineer with a Bachelor of Engineering (Mining) from the University of Queensland. Glenn's senior management experience commenced as Project Manager and General Manager of the Henty gold mine in Tasmania for Goldfields Ltd. He joined LionOre Australia from Goldfields in 1998. While with LionOre Australia his responsibilities included Project Manager of the Emily Ann and Maggie Hays nickel mines, General Manager - New Business, Chief Operating Officer and then Managing Director of LionOre Australia in 2006. During this period LionOre's production in Australia grew from a zero base to having three nickel production centres (Lake Johnston, Black Swan, Waterloo) and one gold mine (Thunderbox). Prior to joining Southern Cross Goldfields, he worked with Apex Minerals until mid 2009 as a consultant and then Operations Director to successfully re-commission the Wiluna gold mine and plant.

**Graham Brock (Non-Executive Director)** has more than 40 years' experience in project development and construction across a range of commodities

**Graham Brock (Non-Executive Director)** is a metallurgist and has worked in the minerals industry for more than 40 years with a diverse mix of commodities including gold, nickel, tin, copper, zinc, silver, magnesite and graphite. In the last 25 years he has worked in the field of project development from conceptual studies through to construction and has successfully evaluated, built and commissioned several gold, nickel and tin projects including Wheal Jane tin, Mt Keith nickel, Black Swan nickel, Golden Crown gold, Waihi gold, Wirralie gold, Salsigne gold, Lake Johnson nickel and Westonia gold. Graham graduated from the Royal School of Mines (RSM), London in 1968 with a BSc Eng and Associateship of RSM. He is a Fellow of the AusIMM and has worked in Australia, UK, Fiji and USA. He has held positions as held positions as General Manager Projects for LionOre; Group Metallurgist and Director Technology for MPI Mines and Group Metallurgist for Australian Consolidated Minerals.

**John Rowe (Non-Executive Director)** has a 40-year career in the mining industry in project development

**John Rowe (Non-Executive Director)** John Rowe holds a BSc (Hons) in Mining Geology from the Royal School of Mines, Imperial College, London University and has had a distinguished career over a 40 year period in the mining industry. John is the principal of John Rowe and Associates, which provides geological and business development advice to the mining industry. He is a non-executive Director of Panoramic Resources Ltd and Catalpa Resources Limited. During his period as Chairman of Catalpa Resources in 2008/2009, Catalpa finalised the bankable feasibility study and completed debt and equity funding for the 100,000oz/year Edna May Gold Project at Westonia.



## **Analyst Verification**

We, Gavin Wendt and Andrew McLeod, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

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