

31 July 2024

SXG ANNOUNCES SIGNING OF SCHEME IMPLEMENTATION AGREEMENT WITH MAWSON GOLD

Melbourne, Australia — Southern Cross Gold Ltd (ASX: SXG) (“SXG” or the “Company”) has entered into a binding Scheme Implementation Agreement (“SIA”) with Mawson Gold Ltd (TSXV: MAW) (“MAW”) on 30 July 2024 under which it is proposed that MAW will acquire 100% of the shares in SXG it does not already own, by way of a Scheme of Arrangement (“Scheme”). The SIA formalises the merger proposal which was announced on 11 June 2024. The Scheme is subject to shareholder and court approval in accordance with Part 5.1 of the *Corporations Act 2001* (Cth).

Under the terms of the SIA, MAW proposes to divest all assets other than its SXG shares and reduce its number of shares to the number of shares that it owns in SXG. MAW will then issue new shares to SXG shareholders on a 1 for 1 basis if the Scheme is implemented. MAW will be listed on both the Australian Securities Exchange (ASX) and the TSX Venture Exchange (TSXV), and have its shares quoted in CHESS Depository Interest (CDI) form on ASX. MAW will also change its name to Southern Cross Gold Consolidated Ltd.

The Scheme is conditional upon a number of matters, including customary conditions set out in the SIA. The Company and Mawson have agreed to certain exclusivity arrangements and agreed to pay break fees in certain circumstances set out in the SIA. A full copy of the SIA is attached to this announcement.

The independent board committee of SXG unanimously recommends that SXG shareholders (other than Mawson or of any of its subsidiaries which hold SXG shares - “**Excluded Shareholders**”) vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of SXG shareholders (other than the Excluded Shareholders). Excluded Shareholders will not participate in the Scheme and will not be eligible to vote at the scheme meeting. Subject to the same qualifications, each SXG Director intends to vote the SXG shares held or controlled by them in favour of the proposed Scheme.

SXG shareholders do not need to take any action at the present time. Specifically, the immediate benefits to SXG shareholders include:

- **Simplification of Structure:** SXG anticipates immediate benefits for its shareholders through a more transparent and institutional-investible structure. The Company believes this will lead to a potential revaluation of the asset, reducing the cost of capital to advance the Sunday Creek asset to become one of the highest cash margin gold assets globally.
- **Enhanced Access to Capital Markets:** The continued listing of Mawson's shares on the TSX Venture Exchange (TSXV) offers expanded access to the significant North American capital markets, which have greatly benefited from the wealth generated from the rebirth of the Victorian goldfields in Australia. With approximately 70% of SXG's shareholder base situated offshore, the dual listing will enable both Australian and North American investors to participate in the exciting SXG growth and high-grade gold story, as the Company continues to grow towards its goal of becoming one of the world's highest cashflow margin gold assets.

SOUTHERN CROSS GOLD LTD

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ABN: 70 652 166 795
ASX Code: SXG
Issued Capital: 197.7M fully paid shares

- **Institutional Support:** The merger aims to transition SXG's shareholder base to a more institutionally dominated and supportive register, with an immediate shift from the 17% ownership in SXG (excluding Mawson) to >50% of high net worth and institutional shareholders in the combined group. Mawson brings both a high-quality register with a significant overlap of current SXG shareholders and access to further high quality global and supportive North American and European institutional shareholders.
- **Resolution of Major Shareholder Overhang:** The merger will address the perceived major shareholder overhang, improving market sentiment.
- **Cost Reduction and Share Fungibility:** Consolidating two separate companies with two listings will lead to cost savings, while allowing for the fungibility of shares between the North American and Australian stock exchanges, benefiting all shareholders.
- **Management and Board Continuity:** The combined group will be led by the current successful Australian management team and Board of Southern Cross, ensuring continuity and leveraging their expertise. The combined company will be led by Mr. Tom Eadie as Non-Executive Chairman and Mr. Michael Hudson as President & CEO.

SXG shareholders (other than Excluded Shareholders) will be asked to vote on the Scheme at a meeting expected to be held in early to mid-October (“**Scheme Meeting**”). Further details of the Scheme and the Scheme Meeting will be provided to SXG shareholders in the coming weeks through a Scheme Booklet, which will include a report from an Independent Expert stating whether the Scheme is in the best interests of SXG shareholders.

About Mawson Gold Ltd

In May 2022 MAW spun-off its Australian assets via an IPO of SXG onto the ASX. MAW currently holds 48.85% (96,590,910) of SXG’s shares (197,746,604) on issue.

Indicative Timetable

The following is an indicative timetable of the Scheme, which is subject to change.

Event	Date
First court hearing at which the Court made orders convening the scheme meeting	Late August
Dispatch of scheme booklet	Early September
Scheme meeting	Early to mid-October
Second court hearing for approval of the Scheme	3 business days after Scheme Meeting
Effective date <ul style="list-style-type: none"> • The date on which the Scheme becomes effective • Lodgement by SXG with ASIC of the court orders approving the Scheme and lodgement of announcement to ASX • Last day of trading in SXG shares on the ASX 	Same day as the second court hearing
Scheme record date: Time and date for determining entitlements to the Scheme consideration	2 business days after Effective date
Commencement of trading of Mawson CDIs on the ASX	5 business days after Scheme record date

All times and dates in the above timetable are references to the time and date in Melbourne, Australia. All dates following the date of the Scheme meeting are indicative only and, amongst other things, are subject to all necessary approvals from the Court, ASIC, ASX and any other relevant government agency, and any other conditions to the Scheme having been satisfied or, if applicable, waived. Any changes to the above timetable will be announced on the ASX website at www.asx.com.au and notified on SXG’s website at <https://www.southerncrossgold.com.au/>.



Further Information

An interview on the proposed merger with Non-Executive Chairman Tom Eadie and Managing Director Michael Hudson can be viewed [here](#) at www.southerncrossgold.com.au.

- Ends -

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

For further information, please contact:

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Nicholas Mead, Corporate Development, nm@southerncrossgold.com.au, +61 415 153 12

Scheme Implementation Agreement

Southern Cross Gold Limited
(ACN 652 166 795)

and

Mawson Gold Limited

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Date: 30 July 2024

Parties

SXG	Name	Southern Cross Gold Limited
	ACN	652 166 795
	Address	Level 21, 459 Collins Street Melbourne, Victoria, 3000
	Email	jm@southerncrossgold.com.au
	Attention	Justin Mouchacca – Company Secretary
<hr/>		
Mawson	Name	Mawson Gold Limited
	Address	1305 - 1090 West Georgia Street. Vancouver, BC, Canada, V6E 3V7
	Email	ndemare@chasemgt.com
	Attention	Nick De Mare

Background

- A. The parties have agreed that Mawson will acquire all of the Scheme Shares pursuant to the Scheme.
- B. SXG has agreed to propose the Scheme and the parties have agreed to implement the Scheme on the terms of this Agreement.

Operative provisions

1. Definitions and interpretation clauses

1.1 Definitions

In this Agreement, the following definitions apply:

Agreement means this document including any schedule or annexure.

Announcement means the joint public announcement referred to in clause 11.1.

ASIC means the Australian Securities and Investments Commission.

ASIC Regulatory Guides means the various regulatory guides issued by ASIC.

ASIC Review Period means the period from the date on which SXG provides the Regulator's Draft to ASIC in accordance with clause 6.2(g).

Associate has the meaning set out in section 12 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules means the official listing rules of ASX.

Business Day means a day in Melbourne, Victoria or Vancouver, British Columbia that is not a Saturday, Sunday or public holiday and on which banks, TSXV and ASX are open for trading.

CDI means CHESS Depository Interest.

CHES means the clearing house electronic sub-register system of share transfers operated by ASX Settlement Pty Ltd (ACN 008 504 532).

Condition means a condition precedent in clause 2.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia, Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act selected by SXG (acting reasonably).

Counter Proposal has the meaning given in clause 13.6(c) or clause 14.6(c) as applicable.

D&O Policy means a directors' and officers' liability insurance policy on terms and conditions providing coverage retentions, limits and other material terms (including in relation to deductibles) in accordance with the commercial requirements of the SXG Group or Mawson Group as applicable, which may include a 7-year prepaid "run-off" directors' and officers' liability insurance policy on terms and conditions substantially equivalent to the policy, with respect to matters arising at or prior to the Effective Date, including in connection with the Transaction or this agreement.

Deed Poll means a deed poll, the form of which is agreed between Mawson and SXG (both acting reasonably), under which Mawson covenants in favour of the Scheme Shareholders to perform its obligations under the Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date that is 5 months after the date of this Agreement or such other date as the parties may agree in writing.

Euro Canna means Euro Canna Holdings Ltd, a Subsidiary of Mawson;

Euro Canna Transaction means either:

- (a) Mawson selling Euro Canna to Spinco in consideration of additional common shares of Spinco, and distributing such common shares received together with the Spinco common shares it then currently holds to the Mawson Shareholders; or
- (b) Mawson selling Euro Canna or its assets to an arm's length third party and distributing the sale proceeds (subject to ensuring that Mawson Group retains sufficient cash to pay its debts) to the Mawson Shareholders.

Excluded Shareholder means any SXG Shareholder who is a member of the Mawson Group.

Exclusivity Period means the period from and including the date of this Agreement to the earlier of:

- (a) the termination of this Agreement;
- (b) the Implementation of the Scheme; and
- (c) the End Date.

First Court Date means the first day of the hearing by the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.

Government Agency means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any other federal, state, provincial, local or other government (foreign or Australian), and includes the ASX, TSXV, and any other relevant securities exchange.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of SXG Shareholders present and voting, either in person or by proxy.

Implementation Date means the 5th Business Day following the Record Date or such other date agreed by the parties in writing.

Independent Expert means the independent expert appointed by SXG to express an opinion on whether the Scheme is in the best interests of SXG Shareholders in accordance with the Corporations Act and ASIC policy and practice.

Independent Expert's Report means the report to be issued by the Independent Expert in connection with the Scheme.

Independent SXG Director means a SXG Director other than Michael Hudson.

Ineligible Foreign Shareholder means a SXG Shareholder whose address as shown in the SXG Share Register is located outside Australia and its external territories, New Zealand, or Canada unless Mawson is satisfied that it is permitted to issue New Mawson Shares to that SXG Shareholder pursuant to the Scheme by the laws of that jurisdiction, without having to comply with any governmental approval or other consent or registration, filing or other formality which in each case Mawson reasonably regards as unduly onerous.

Mawson Board means the Mawson board of directors.

Mawson Circular means the notice of the meeting of Mawson Shareholders and accompanying management information circular, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to the Mawson Shareholders in connection with the Mawson Meeting, as amended, supplemented or otherwise modified from time to time.

Mawson Competing Proposal means any proposal, offer, expression of interest, transaction or arrangement pursuant to which a Third Party (or Third Parties) alone or together with their Associates will, if the transaction or arrangement is entered into or completed:

- (a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the business of the Mawson Group;
- (b) acquire control (as determined in accordance with section 50AA of the Corporations Act) of any member of the Mawson Group;
- (c) acquire or have a right to acquire a Relevant Interest in a legal, beneficial or economic interest in (including by way of equity swap, contract for difference or similar transaction or arrangement), or control of, 20% or more of Mawson;
- (d) otherwise acquire or merge with any member of the Mawson Group; or
- (e) enter into any agreement, arrangement or understanding requiring Mawson to abandon, or otherwise fail to proceed with, the Transaction, whether by way of

takeover offer, plan of arrangement, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement

- (f) require Mawson to abandon or otherwise fail to proceed with the Transaction,

but in each case does not include the Euro Canna Transaction.

Mawson Director means any or all of the directors of Mawson, as the context requires.

Mawson Financial Statements means the audited consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of Mawson for the financial year ended 31 May 2023, together with the accompanying notes.

Mawson Group means Mawson and each of its Subsidiaries, and a reference to a 'Mawson Group Member' or a 'member of the Mawson Group' is to Mawson or any of its Subsidiaries, but in each case excludes any member of the SXG Group.

Mawson Information means information regarding the Mawson Group and the combined Mawson-SXG entity following implementation of the Scheme which is provided by Mawson to SXG in writing for inclusion in the Scheme Booklet, excluding:

- (a) information regarding the SXG Group contained in or used in the preparation of information regarding the combined Mawson-SXG entity following implementation of the Scheme; and
- (b) the SXG Information.

Mawson Insolvency Event means:

- (a) a material member of the Mawson Group resolving that it be wound up or the making of an application or order for the winding up, liquidation, bankruptcy, dissolution, reorganization, arrangement, protection, relief or composition of that member or any of its property or debt or making a proposal for it under any applicable law, including any applicable bankruptcy and insolvency law, and also including any application for reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation, organization, formation or otherwise other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of a material member of the Mawson Group being appointed;
- (c) a court making an order for the winding up of a material member of the Mawson Group;
- (d) an administrator of a material member of the Mawson Group being appointed under applicable law;
- (e) a material member of the Mawson Group is or becomes unable to pay its debts when they fall due within the meaning of the applicable corporate law or is otherwise presumed to be insolvent under the applicable corporate law unless that member has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;
- (f) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a material member of the Mawson Group; or
- (g) an event analogous to any of the foregoing in any jurisdiction outside of Canada.

Mawson Material Adverse Change means an event, change or circumstance that occurs, is announced or becomes known (in each case whether or not it becomes public) after the execution of this Agreement and prior to 8.00 am on the Second Court Date that (whether individually or when aggregated with one or more other events, matters or things) has, will or is reasonably likely to have:

- (a) a material adverse effect on the assets, liabilities, financial position, performance, or prospects of the Mawson Group taken as a whole; or
- (b) the effect of reducing the consolidated net assets of the Mawson Group by at least 20% relative to Mawson's financial statements for the year ended 31 May 2024, taken as a whole and calculated in accordance with accounting policies and practices applied by Mawson at the date of this Agreement,

but does not include any event, change or circumstance:

- (c) required to be done or procured by Mawson pursuant to this Agreement or the Scheme;
- (d) resulting from the Euro Canna Transaction;
- (e) resulting from purchasing a D&O Policy;
- (f) done with the prior written consent of SXG;
- (g) to the extent that it was fully and fairly disclosed in public filings of Mawson with TSXV prior to execution of this Agreement;
- (h) resulting from changes in the general economic or business conditions (including commodity prices and exchange rates) which impact on the Mawson Group Members and their competitors in substantially the same way;
- (i) arising as a result of any generally applicable change in law or governmental policy in any of the jurisdictions in which a Mawson Group Member operates;
- (j) resulting from changes in generally accepted accounting principles or the interpretation of them by any professional body or government agency; or
- (k) arising from the announcement or pendency of the Transaction (including any loss of or adverse change in employees, customers, partners).

Mawson Meeting means the meeting of the Mawson Shareholders, including any adjournment or postponement thereof, to be called and held by Mawson to consider the Mawson Resolutions.

Mawson Prescribed Event means the occurrence of any of the following between the date of this Agreement and 8:00am on the Second Court Date:

- (a) any member of the Mawson Group issues shares, grants a performance right or restricted stock unit, or an option over its shares, except:
 - (i) any issue to Mawson or a direct or indirect wholly-owned Subsidiary of Mawson;
 - (ii) the issue of options or performance rights to acquire Mawson Shares to existing or new staff in accordance with usual practice; or
 - (iii) the issue of Mawson Shares on exercise or vesting of existing options or performance rights,

- (b) any member of the Mawson Group issues, or agrees to issue, convertible notes;
- (c) Mawson converting all or any of its shares into a larger or smaller number of shares;
- (d) any member of the Mawson Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (e) any member of the Mawson Group:
 - (i) entering into a share buy-back agreement; or
 - (ii) resolving to approve the terms of a share buy-back agreement;
- (f) any member of the Mawson Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than a direct or indirect wholly owned Subsidiary of Mawson declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to Mawson or to another direct or indirect wholly owned Subsidiary of Mawson);
- (g) Mawson making any change to its constating documents;
- (h) a member of the Mawson Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
- (i) a Mawson Insolvency Event occurs; or
- (j) any member of the Mawson Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,

but excludes the transactions contemplated by this Agreement (including the Mawson Share Consolidation and the Euro Canna Transaction), transactions undertaken with the prior written consent of SXG, and matters fully and fairly disclosed in public filings of Mawson with TSXV before execution of this Agreement.

Mawson Reimbursement Fee means \$2,000,000.

Mawson Representations and Warranties means the representations and warranties of Mawson in Schedule 2.

Mawson Resolutions means resolutions of the Mawson Shareholders to approve, subject to the approval of the Scheme of Arrangement by the SXG Shareholders, the Mawson board changes as set out under clause 6.8 hereof.

Mawson Share Consolidation means the proposed consolidation of the number of Mawson Shares on issue to be equal to the number of SXG Shares that it currently owns (subject to rounding).

Mawson Shareholder means a holder of Mawson Shares.

Mawson Shares means the common shares in the authorized share structure of Mawson.

Mawson Superior Proposal means a bona fide Competing Proposal (and not resulting from a breach by Mawson of its obligations under clause 14), which the Mawson Board, acting in good faith, and after taking written advice from its legal and (if applicable) financial advisors, determines:

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including having regard to legal, regulatory and financial matters and any conditions precedent; and
- (b) is or would be (if completed) more favourable to Mawson Shareholders (as a whole) than the Transaction taking into account all terms and conditions of the Competing Proposal.

New Mawson Share means a Mawson Share to be issued to Scheme Shareholders under the Scheme, and includes such Mawson Shares in CDI form where applicable under the terms of the Scheme.

New Mawson Option means an option to acquire a Mawson Share, which is to be issued to SXG Optionholders under the Options Exchange.

New Mawson Performance Right means a restricted share unit to be issued at no cost, which is to be issued to holders of SXG Performance Rights under the Performance Rights Exchange.

Option Exchange Consideration means, subject to acceptance by the TSXV, the consideration to be provided by Mawson to an SXG Optionholder under the terms of the Options Exchange for the cancellation and replacement of their SXG Options:

- (a) comprised of such number of New Mawson Options as determined by applying the Transaction Ratio;
- (b) have an exercise period equal to the unexpired exercise period of the relevant SXG Option it replaces;
- (c) an exercise price equal to the exercise price of the SXG Option it replaces (in Australian dollars), multiplied by the Transaction Ratio; and
- (d) be vested to the same extent and have the same terms as to vesting as the relevant SXG Option it replaces, ignoring any deemed vesting which arises by reason of the Transaction.

Options Exchange means the cancellation of SXG Options and issue of New Mawson Options under the terms of the Options and Rights Exchange Agreement.

Options and Rights Exchange Agreement means an agreement to be entered into between SXG, Mawson, and a holder of SXG Options or SXG Performance Rights (as applicable) under which the holder's SXG Options are cancelled in exchange for the Option Exchange Consideration or SXG Performance Rights are cancelled in exchange for the Performance Rights Exchange Consideration, in each case conditional upon the Scheme becoming Effective.

Performance Rights Exchange Consideration means the consideration to be provided by Mawson to an SXG Performance Rights holder under the terms of the Performance Rights Exchange for the cancellation and replacement of their SXG Options:

- (e) comprised of such number of New Mawson Performance Rights as determined by applying the Transaction Ratio;
- (f) have a vesting and exercise period equal to the unexpired vesting and exercise period of the relevant SXG Performance Right it replaces; and

- (g) be vested to the same extent and have the same terms as to vesting as the relevant SXG Performance Right it replaces, ignoring any deemed vesting which arises by reason of the Transaction.

Performance Rights Exchange means the cancellation of SXG Performance Rights and issue of New Mawson Performance Rights under the terms of the Options and Rights Exchange Agreement.

Potential Competing Proposal means any offer, proposal or expression of interest which is not, but which could reasonably be expected to become, a SXG Competing Proposal or Mawson Competing Proposal (as the context requires).

Record Date means 5:00 pm on the 2nd Business Day after the Effective Date.

Regulator's Draft means the draft of the Scheme Booklet in a form which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

Regulatory Approvals means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver or exemption from by or with a Government Agency; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Reimbursement Fee means the Mawson Reimbursement Fee or the SXG Reimbursement Fee, as applicable.

Relevant Date means in relation to a Condition, the date or time specified in this Agreement for its fulfilment or, if no date or time is specified, 8.00 am on the Second Court Date, subject, in either case, to extension under clause 2.5(b).

Relevant Interest has the meaning given in the Corporations Act.

Representative means in respect of a party or its Subsidiaries, each director, officer, employee, advisor, agent or representative of that party or member of the SXG Group or Mawson Group (as applicable).

RG60 means Regulatory Guide 60 issued by ASIC relating to schemes of arrangement.

Sale Agent means the person appointed by Mawson to sell the New Mawson Shares that are attributable to Ineligible Foreign Shareholders under the terms of the Scheme.

Sale Facility means the facility to be established by Mawson and managed by the Sale Agent under which the New Mawson Shares which otherwise would be received by Ineligible Foreign Shareholders will be sold in accordance with the Scheme and the agreement to be entered into between Mawson and the Sale Agent in relation to the Sale Facility.

Sale Facility Proceeds means the net cash proceeds from the sale of New Mawson Shares sold through the Sale Facility, after deducting brokerage and other costs of sale, (calculated on a volume weighted average basis so that all Ineligible Foreign Shareholders receive the same price for each New Mawson Share sold).

Scheme or Scheme of Arrangement means the scheme of arrangement under Part 5.1 of the Corporations Act between SXG and the Scheme Shareholders, the form of which is agreed between Mawson and SXG (both acting reasonably), under which Scheme

Shareholders will receive the Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Mawson and SXG.

Scheme Booklet means the information prepared in accordance with this Agreement and agreed by the parties (acting reasonably) to be approved by the Court and despatched to SXG Shareholders in relation to the Scheme, including an explanatory statement in relation to the Scheme complying with the requirements of the Corporations Act, the Corporations Regulations and RG60, the Independent Expert's Report, notice of meetings and proxy form.

Scheme Share means a SXG Share held by a Scheme Shareholder at 5:00 pm on the Record Date.

Scheme Shareholder means a holder of SXG Shares (other than Excluded Shareholders) recorded in the SXG Share Register as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme (as the context requires) is heard.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme, for the transfer of their Scheme Shares, comprising, for each Scheme Shareholder the number of New Mawson Shares as determined by applying the Transaction Ratio, or in the case of Ineligible Foreign Shareholders, the Sale Facility Proceeds).

Scheme Meeting means the meeting of SXG Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Spinco means SUA Holdings Limited, a company incorporated under the laws of the Province of British Columbia and a Subsidiary of Mawson.

Subsidiary has the meaning given in the Corporations Act.

SXG Board means the SXG board of directors.

SXG Competing Proposal means any proposal, offer, expression of interest, transaction or arrangement pursuant to which a Third Party (or Third Parties) alone or together with their Associates will, if the transaction or arrangement is entered into or completed:

- (a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the business of the SXG Group;
- (b) acquire control (as determined in accordance with section 50AA of the Corporations Act) of any member of the SXG Group;
- (c) acquire or have a right to acquire a Relevant Interest in a legal, beneficial or economic interest in (including by way of equity swap, contract for difference or similar transaction or arrangement), or control of, 20% or more of SXG;
- (d) otherwise acquire or merge with any member of the SXG Group;
- (e) enter into any agreement, arrangement or understanding requiring SXG to abandon, or otherwise fail to proceed with, the Transaction, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy

back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement; or

- (f) require SXG to abandon or otherwise fail to proceed with the Transaction.

SXG Director means any or all of the directors of SXG, as the context requires.

SXG Financial Statements means the audited consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of SXG for the financial year ended 31 May 2023 together with the accompanying notes.

SXG Group means SXG and each of its Subsidiaries, and a reference to a 'SXG Group Member' or a 'member of the SXG Group' is to all or any of such entities.

SXG Group Tenements means the material tenements comprising the SXG Group's projects.

SXG Information means information in the Scheme Booklet other than the Mawson Information and the Independent Expert's Report.

SXG Insolvency Event means:

- (a) a material member of the SXG Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that member other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of a material member of the SXG Group being appointed;
- (c) a court making an order for the winding up of a material member of the SXG Group;
- (d) an administrator of a material member of the SXG Group being appointed under the Corporations Act;
- (e) a material member of the SXG Group is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act unless that member has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;
- (f) a material member of the SXG Group executing a deed of company arrangement;
- (g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the SXG Group; or
- (h) an event analogous to any of the foregoing in any jurisdiction outside of Australia.

SXG Material Adverse Change means an event, change or circumstance that occurs, is announced or becomes known (in each case whether or not it becomes public) after the execution of this Agreement and prior to 8.00 am on the Second Court Date that (whether individually or when aggregated with one or more other events, matters or things) has, will or is reasonably likely to have:

- (a) a material adverse effect on the assets, liabilities, financial position, performance, or prospects of the SXG Group taken as a whole; or
- (b) the effect of reducing the consolidated net assets of the SXG Group by at least 20% relative to SXG's financial statements for the year ended 31 May 2024, taken as a

whole and calculated in accordance with accounting policies and practices applied by SXG at the date of this Agreement,

but does not include any event, change or circumstance:

- (a) required to be done or procured by SXG pursuant to this Agreement or the Scheme;
- (b) resulting from purchasing a D&O Policy;
- (c) done with the prior written consent of Mawson;
- (d) to the extent that it was fully and fairly disclosed in public filings of SXG with ASX prior to execution of this Agreement;
- (e) resulting from changes in the general economic or business conditions (including commodity prices and exchange rates) which impact on the SXG Group Members and their competitors in substantially the same way;
- (f) arising as a result of any generally applicable change in law or governmental policy in any of the jurisdictions in which a SXG Group Member operates;
- (g) resulting from changes in generally accepted accounting principles or the interpretation of them by any professional body or government agency; or
- (h) arising from the announcement or pendency of the Transaction (including any loss of or adverse change in employees, customers, partners).

SXG Option means an option to acquire by way of issue one SXG Share.

SXG Option Register means the register of SXG Options maintained in accordance with the Corporations Act.

SXG Performance Right means a right to be issued one SXG Share upon satisfaction of vesting conditions.

SXG Prescribed Event means the occurrence of any of the following between the date of this Agreement and 8:00am on the Second Court Date:

- (a) any member of the SXG Group issues shares, grants a performance right or restricted stock unit, or an option over its shares, other than:
 - (i) an issue to SXG or a direct or indirect wholly-owned Subsidiary of SXG;
 - (ii) the issue of SXG Options or SXG Performance Rights to existing or new staff in accordance with usual practice; or
 - (iii) on exercise or vesting of SXG Options or SXG Performance Rights;
- (b) any member of the SXG Group issues, or agrees to issue, convertible notes;
- (c) SXG converting all or any of its shares into a larger or smaller number of shares;
- (d) any member of the SXG Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (e) any member of the SXG Group:
 - (i) entering into a share buy-back agreement; or

- (ii) resolving to approve the terms of a share buy-back agreement;
- (f) any member of the SXG Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than a direct or indirect wholly owned Subsidiary of SXG declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to SXG or to another direct or indirect wholly owned Subsidiary of SXG);
- (g) SXG making any change to its constitution;
- (h) a member of the SXG Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
- (i) a SXG Insolvency Event occurs; or
- (j) any member of the SXG Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,

but excludes the transactions contemplated by this Agreement, transactions undertaken with the prior written consent of Mawson, and matters fully and fairly disclosed in public filings of SXG with ASX prior to execution of this Agreement.

SXG Reimbursement Fee means \$1,000,000.

SXG Registry means Computershare Registry Services.

SXG Representations and Warranties means the representations and warranties of SXG in Schedule 3.

SXG Share means a fully paid ordinary share of SXG.

SXG Share Register means the register of members of SXG maintained in accordance with the Corporations Act.

SXG Shareholder means each person who is registered as the holder of a SXG Share.

SXG Superior Proposal means a bona fide Competing Proposal (and not resulting from a breach by SXG of its obligations under clause 13), which the SXG Board, acting in good faith, and after taking written advice from its legal and (if applicable) financial advisors, determines:

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including having regard to legal, regulatory and financial matters and any conditions precedent; and
- (b) is or would be (if completed) more favourable to SXG Shareholders (as a whole) than the Transaction taking into account all terms and conditions of the Competing Proposal.

Takeovers Panel means the Australian Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Third Party means a person other than a Mawson Group Member or a SXG Group Member.

Timetable means the indicative timetable for the implementation of the Transaction set out in Schedule 1.

Transaction means the acquisition of all SXG Shares by Mawson through implementation of the Scheme in accordance with the terms of this Agreement.

Transaction Ratio means:

- (a) 1 New Mawson Share for every 1 Scheme Share held, on the basis that the Mawson Share Consolidation occurs before the Record Date; or
- (b) with the mutual written consent of Mawson and SXG, a higher number of New Mawson Shares for every 1 Scheme Share held if the Mawson Share Consolidation does not so occur, calculated based on the number of Mawson Shares on issue at the Record Date divided by the number of Mawson Shares that would have been on issue had the Mawson Share Consolidation occurred.

TSXV means TSX Venture Exchange.

Voting Power has the meaning it is given in section 610 of the Corporations Act.

1.2 Interpretation

In this Agreement, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;
- (e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this Agreement, and a reference to this Agreement includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or bylaws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to any time is to the time in Melbourne, Victoria;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Agreement;
- (l) a reference to the ASX Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and

- (m) a reference to a party using or an obligation on a party to use reasonable endeavours or its best endeavours does not oblige that party to:
 - (i) pay money:
 - (A) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or
 - (B) in circumstances that are commercially onerous or unreasonable in the context of this Agreement;
 - (ii) provide other valuable consideration to or for the benefit of any person; or
 - (iii) agree to commercially onerous or unreasonable conditions.

1.3 Business Day

- (a) If anything under this Agreement must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

1.4 Contra proferentem excluded

No term or condition of this Agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Agreement or a provision of it.

1.5 Parties

- (a) If a party consists of more than one person, this Agreement binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

1.6 Reasonable endeavours and best endeavours

Without limiting clause 1.2(m), any provision of this Agreement that requires a party to use reasonable endeavours, all reasonable endeavours or best endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs, requires that party to do so in a reasonable and honest manner and as soon as reasonably practicable having regard to the resources of the relevant party, but does not include any obligation:

- (a) to pay any significant sum of money or to provide any significant financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency or fees to any professional advisers, to procure that that thing is done or happens; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens; in circumstances that are commercially onerous or unreasonable or which require a party to agree to commercially onerous or unreasonable conditions, in the context of this Agreement.

2. Conditions precedent

2.1 Conditions precedent to Scheme

Subject to this clause 2, the Scheme will not become Effective, and the obligations of Mawson in relation to the Scheme under clause 6.3 are not binding, until each of the following Conditions is satisfied or waived to the extent and in the manner set out in clause 2.2:

Condition	Party entitled to benefit	Responsibility to satisfy
(a) ASIC, ASX, and TSXV approvals: before 8.00am on the Second Court Date, ASIC, ASX, and TSXV issue or provide such consents, approvals, modifications or waivers as are necessary or which Mawson and SXG agree are desirable to implement the Scheme, either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably), and such consent, approval or other act has not been withdrawn, suspended, restricted, amended, cancelled or revoked (or become subject to any notice, intimation or indication of an intention to do any such thing) as at 8.00am on the Second Court Date.	Both	In respect of each agreed consent, waiver or approval, the party who has the legal obligation to obtain it
(b) Other approvals: before 8:00am on the Second Court Date all Regulatory Approvals other than those referred to in clause 2.1(a) which are necessary, or which the parties agree are desirable, to implement the Scheme have been issued or received (as applicable) either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably) and such Regulatory Approvals remain in full force and effect in all respects and have not been withdrawn, suspended, restricted, amended, cancelled or revoked (or become subject to any notice, intimation or indication of an intention to do any such thing) as at 8.00am on the Second Court Date.	Both	In respect of each agreed consent, waiver or approval, the party who has the legal obligation to obtain it
(c) SXG Options and Performance Rights: before 8.00am on the Second Court Date each holder of SXG Options or SXG Performance Rights has either: (i) exercised the SXG Options or SXG Performance Rights held by them, in	Mawson	Both

Condition	Party entitled to benefit	Responsibility to satisfy
<p>accordance with their terms; or</p> <p>(ii) entered into an Options and Rights Exchange Agreement.</p>		
<p>(d) No restraints: no judgment, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Government Agency of competent jurisdiction remains in effect as at 8.00am on the Second Court Date that prohibits, materially restricts, makes illegal, restrains or materially delays the completion of the Scheme.</p>	N/A	Both
<p>(e) SXG Shareholder approval: SXG Shareholders (other than Excluded Shareholders) agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act.</p>	N/A	SXG
<p>(f) Mawson Shareholder approvals: Mawson Shareholders pass the Mawson Resolutions by the necessary majorities.</p>	Mawson	Mawson
<p>(g) Independent Expert's Report: the Independent Expert's Report concludes that the Scheme is in the best interests of SXG Shareholders (other than Excluded Shareholders) and, upon consideration of all available relevant information from time to time, the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date.</p>	SXG	SXG
<p>(h) Court approval of the Scheme: the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to the parties acting reasonably.</p>	N/A	SXG
<p>(i) Listing Rule waiver: ASX granting a waiver from Listing Rule 6.23.2 in relation to the Options Exchange or SXG Shareholders give any necessary approvals under Listing Rule 6.23.2 in relation to the Options Exchange.</p>	Both	SXG

Condition	Party entitled to benefit	Responsibility to satisfy
(j) No SXG Prescribed Event: from the date of this Agreement until 8.00am on the Second Court Date, no SXG Prescribed Event occurs.	Mawson	SXG
(k) No Mawson Prescribed Event: from the date of this Agreement until 8.00am on the Second Court Date, no Mawson Prescribed Event occurs.	SXG	Mawson
(l) No SXG Material Adverse Change: from the date of this Agreement until 8.00am on the Second Court Date, no SXG Material Adverse Change occurs.	Mawson	SXG
(m) No Mawson Material Adverse Change: from the date of this Agreement until 8.00am on the Second Court Date, no Mawson Material Adverse Change occurs.	SXG	Mawson
(n) No breach of SXG Representations and Warranties: the SXG Representations and Warranties are true and correct in all material respects as at the date of this Agreement and as at 8:00am on the Second Court Date.	Mawson	SXG
(o) No breach of Mawson Representations and Warranties: the Mawson Representations and Warranties are true and correct in all material respects as at the date of this Agreement and as at 8:00am on the Second Court Date.	SXG	Mawson
(p) ASX listing of Mawson: ASX has conditionally approved Mawson for listing on ASX and conditionally approved the Mawson Shares (in CDI form) to be issued as Scheme Consideration pursuant to the Scheme, subject only to Mawson fulfilling any customary post-closing conditions of the ASX and to the Scheme becoming Effective, and such approval remains in effect (subject only to those customary post-closing conditions).	Mawson	Mawson
(q) US Securities Act: the parties taking all steps reasonably necessary to cause the Scheme Consideration to be issued to the Scheme Shareholders pursuant to the exemption set out in section 3(a)(10) of the US Securities Act of 1933 (US Exemption) (where applicable), including advising the Court prior to the Second Court Date that SXG intends to rely on the Exemption for the Scheme Consideration to be issued	Mawson	Mawson

Condition	Party entitled to benefit	Responsibility to satisfy
pursuant to the Scheme, based on the Court's approval of the Scheme.		

2.2 Waiver

- (a) **(if only one party benefiting, that party only may waive)** If a Condition has been included for the benefit of one party only (as specified in relation to a Condition in the second column of the table in clause 2.1), only that party may, in its sole discretion, waive the breach or non-fulfilment of the Condition.
- (b) **(if both parties benefiting, both must waive)** If a Condition has been included for the benefit of both parties (as specified in relation to a Condition in the second column of the table in clause 2.1), the breach or non-fulfilment of the Condition may be waived only by the written consent of both parties.
- (c) **(cannot be waived)** If a Condition has been included for the benefit of neither party (as specified in relation to a Condition in the second column of the table in clause 2.1 as 'N/A'), the breach or non-fulfilment of the Condition cannot be waived.
- (d) **(conditional waiver)** If a waiver by a party of a Condition is itself made subject to a condition and the other party accepts that condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of a Condition, that Condition has not been waived.
- (e) **(waiver precludes litigation)** If a party waives the breach or non-fulfilment of a Condition, that waiver precludes the party from suing another party for any breach of this Agreement that resulted in the breach or non-fulfilment of the Condition.
- (f) **(waiver restricted)** Unless specified in the waiver, a waiver of the breach or non-fulfilment of any Condition will not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition; or
 - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event or circumstance.
- (g) **(waiver in writing)** Any waiver must be in writing.

2.3 Fulfilment of each Condition

Each party must:

- (a) **(Regulatory Approvals)** as soon as practicable after the date of this Agreement, cooperate in good faith to develop a plan for communications with Government Agencies that are required to be approached for the purpose of procuring the satisfaction of any Condition;
- (b) **(procure satisfaction of Condition)** use its reasonable endeavours to procure that each Condition for which it is listed as being responsible in the third column of the table in clause 2.1 is satisfied as soon as practicable after the date of this Agreement, including providing all reasonable assistance to the other party as is necessary to satisfy each Condition;

- (c) **(assistance of representatives)** each party must procure that its Representatives work (including by attending meetings and by providing information) in good faith and in a timely and co-operative fashion with the other party, and the other party's Representatives, to satisfy the Conditions;
- (d) **(not prevent satisfaction of Condition)** not take any action (except as required by law including, for the avoidance of doubt, an action taken to avoid a potential breach of directors' fiduciary duties or statutory obligations) which is designed or is likely to prevent the Conditions being satisfied, without the prior written consent of the other party; and
- (e) **(promptly notify)**
 - (i) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
 - (ii) promptly notify the other party of the fulfilment or waiver of a Condition (including by providing reasonable evidence of satisfaction of the Condition);
 - (iii) promptly notify the other party in writing upon becoming aware of any fact or circumstance that it becomes aware of which results in, or may result in, a Condition not being satisfied in accordance with its terms; and
 - (iv) keep the other party informed of any material developments of which it becomes aware in relation to a Condition.

2.4 When a Condition is fulfilled

Each Condition is deemed to be fulfilled on the Relevant Date unless the party for whose benefit the Condition has been included (or, in the case of a Condition included for the benefit of all those parties, either party) gives notice to the other party on or before the Relevant Date of the non-fulfilment of the Condition.

2.5 If a Condition is not fulfilled or waived

If a Condition to the Scheme has not been fulfilled or waived by the Relevant Date, or the Effective Date has not occurred or is incapable of occurring by the End Date, the parties:

- (a) will consult in good faith to determine whether the Scheme may proceed by way of alternative means or methods (including, without limitation, potential adjustments to the structure of the Transaction); and
- (b) may agree to extend the Relevant Date or the End Date, or both.

2.6 Scheme voted down because of Headcount Test

If the Scheme is not approved by SXG Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and SXG and Mawson consider, acting reasonably, that the splitting by a holder of SXG Shares into two or more parcels of SXG Shares (whether or not it results in any change in beneficial ownership of the SXG Shares), or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied and the parties have in good faith formed the view that the prospect of the Court exercising its discretion is reasonable, then SXG must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and

- (b) make such submissions to the Court and file such evidence as counsel engaged by SXG to represent it in Court proceedings related to the Scheme, in consultation with Mawson, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.
-

3. Agreement to propose Scheme

3.1 SXG to propose Scheme

SXG agrees to propose and implement the Scheme in accordance with part 5.1 of the Corporations Act and upon and subject to the terms and conditions of this Agreement.

3.2 Mawson to assist

Mawson agrees to assist SXG in proposing and implementing the Scheme in accordance with Part 5.1 of the Corporations Act upon and subject to the terms and conditions of this Agreement.

3.3 No amendments to Scheme without consent

SXG must not consent to any modification of, or amendment to, or making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Mawson, such consent not to be unreasonably withheld.

3.4 Share Sale Facility for Ineligible Foreign Shareholders

- (a) Where a Scheme Shareholder is an Ineligible Foreign Shareholder, the number of New Mawson Shares to which that Scheme Shareholder would otherwise have been entitled to under the Scheme will be issued to the Sale Agent and sold under the Sale Facility.
- (b) When Scheme Consideration is issued to the Sale Agent on behalf of an Ineligible Foreign Shareholder it will be treated as having been issued to the Ineligible Foreign Shareholder for the purposes of this Agreement.
- (c) Mawson will procure that, after the Implementation Date, the Sale Agent:
 - (i) sells on TSXV and/or ASX all of the New Mawson Shares issued to the Sale Agent in accordance with clause 3.4(a) in such manner, at such price and on such other terms as the Sale Agent determines in good faith, and at the risk of the Ineligible Foreign Shareholders; and
 - (ii) remits the Sale Facility Proceeds to each Ineligible Foreign Shareholder.

3.5 Bidder Nominee

- (a) Mawson may nominate any wholly-owned Subsidiary of Mawson (**Bidder Nominee**) to acquire the Scheme Shares under the Scheme by giving written notice to SXG on or before the date that is 5 Business Days before the First Court Date.
- (b) If Mawson nominates the Bidder Nominee to acquire the Scheme Shares under the Scheme, then:
 - (i) references in this Agreement to Mawson acquiring the Scheme Shares under the Scheme are to be read as references to the Bidder Nominee doing so;

- (ii) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Bidder Nominee, rather than Mawson;
 - (iii) Mawson must procure that the Bidder Nominee complies with the relevant obligations of Mawson under this Agreement, the Scheme and enter into a deed of accession on terms acceptable to SXG, acting reasonably; and
 - (iv) any such nomination will not relieve Mawson of its obligations under this Agreement or the Deed Poll, including the obligation to provide the Scheme Consideration in accordance with the terms of the Scheme.
-

4. Transaction steps

4.1 Proposal of Scheme

SXG must as soon as reasonably practicable after the date of this Agreement and substantially in accordance with the Timetable, propose the Scheme to the SXG Shareholders.

4.2 Transfer of Scheme Shares

Under the Scheme, if the Scheme becomes Effective, on the Implementation Date all of the SXG Shares held by Scheme Shareholders will be transferred to Mawson subject to the Scheme Shareholders having received the Scheme Consideration from Mawson in accordance with the terms of this Agreement.

4.3 SXG Options and SXG Performance Rights

- (a) As soon as practicable after the date of this Agreement, SXG will use commercially reasonable endeavours to cause each holder of SXG Options and SXG Performance Rights to enter into an Options and Rights Exchange Agreement (in a form agreed by SXG and Mawson, each acting reasonably) with SXG and Mawson, pursuant to the policies of the TSXV and provided such holder continues to be an eligible participant following the Effective Date.
 - (b) Subject to the Scheme becoming Effective, Mawson will issue New Mawson Options and New Mawson Performance Rights in accordance with the terms of all such Options and Rights Exchange Agreements.
 - (c) As soon as practicable after the date of this Agreement, SXG must apply to ASX for a waiver from Listing Rule 6.23.2 in respect of the proposed Options Exchange and, if required by ASX, in respect of the proposed Performance Rights Exchange.
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5. Scheme Consideration

5.1 Scheme Consideration

- (a) Subject to clause 3.4, Mawson undertakes in favour of SXG (in its own right and on behalf of the Scheme Shareholders) that in consideration for the transfer of each SXG Share held by a Scheme Shareholder under the terms of the Scheme to Mawson, Mawson will on the Implementation Date:
 - (i) accept the transfer; and
 - (ii) provide Scheme Shareholders, for each SXG Share held on the Record Date, the Scheme Consideration in accordance with the terms of this Agreement, the Scheme and the Deed Poll.

- (b) SXG Shareholders will be given the opportunity to elect to receive their Scheme Consideration in the form of either New Mawson Shares or CDI to be quoted on ASX, each CDI representing a beneficial interest in one New Mawson Share. SXG may provide in the terms of the Scheme what election will be deemed to apply in the absence of a positive election from a SXG Shareholder, which may be based on the residency of that SXG Shareholder as shown in the SXG Share Register.

5.2 Ranking

Mawson must ensure that:

- (a) the New Mawson Shares to be issued pursuant to the Scheme (including, when issued in CDI form, the Mawson Share underlying such CDI) will, on issue, be duly and validly authorised and will, on issue, be of the same class of Mawson Shares currently issued and outstanding and listed on the TSXV and will rank equally in all respects with all issued and outstanding Mawson Shares other than in respect of receiving any rights or benefits relating to the Euro Canna Transaction; and
- (b) each such New Mawson Share to be issued will, when issued pursuant to the Scheme, be validly issued as fully paid and non-assessable.

5.3 Quotation

- (a) Mawson must ensure that all Mawson Shares issued as Scheme Consideration are quoted on TSXV, and all CDIs over Mawson Shares that are issued as Scheme Consideration are quoted on ASX (subject to satisfaction of the Condition in clause 2.1(p)), from their date of issue.
- (b) Mawson must make all necessary applications to TSXV and ASX in relation to the quotation obligation in clause 5.3(b), and keep SXG informed regarding progress in this regard.

6. Implementation

6.1 Obligations of the parties

- (a) Each party must use its reasonable endeavours to give effect to the Scheme in accordance with the Timetable, subject to this Agreement and in compliance with their respective obligations, powers and duties under this Agreement, their constituent documents and all applicable laws and the proper performance by the directors of Mawson and SXG of their fiduciary duties.
- (b) SXG must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Mawson (such consent not to be unreasonably withheld or delayed).
- (c) The parties must each use their reasonable endeavours to implement the Transaction in accordance with the Timetable. Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of this clause to the extent that such failure is due to circumstances and matters outside of the party's control. Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable. The extent that any of the dates or timeframes set out in the Timetable become not achievable due to matters outside of a party's control, the parties will consult in good faith to agree to any necessary extension to ensure such matters are completed within the shortest practicable timeframe.

6.2 SXG's obligations

SXG must take all necessary steps to implement the Scheme as soon as reasonably practicable, and including each of the following:

- (a) **SXG Directors' recommendation for Announcement:** subject to clause 6.10(c), include a statement in the Announcement and any subsequent announcement that each member of the SXG Board:
- (i) unanimously considers that the Scheme is in the best interests of SXG Shareholders (other than Excluded Shareholders);
 - (ii) unanimously recommends that SXG Shareholders (other than Excluded Shareholders) vote in favour of the Scheme and approve the Scheme; and
 - (iii) will vote (or will procure the voting of) all SXG Shares held or controlled by or on their behalf in favour of the Scheme,

subject to there being no SXG Superior Proposal, and subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of SXG Shareholders (other than Excluded Shareholders);

- (b) **preparation of Scheme Booklet:** prepare and despatch the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act, the Corporations Regulations, RG60 and the Listing Rules, and must ensure that the Scheme Booklet does not contain any untrue statement of a material fact or omit to state a material fact required to be stated in the Scheme Booklet or necessary to make the statements contained in it not misleading in light of the circumstances in which they are made;
- (c) **Independent Expert:** promptly appoint the Independent Expert in connection with the preparation of the Independent Expert's Report, and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates);
- (d) **consultation with Mawson in relation to Scheme Booklet:** consult with Mawson as to the content and presentation of the Scheme Booklet (save to the extent such content and presentation is prescribed by the Corporations Act) including:
- (i) providing to Mawson in a timely manner drafts of the Scheme Booklet and the Independent Expert's Report for the purpose of enabling Mawson to review and comment on those draft documents. In relation to the Independent Expert's Report, Mawson's review is to be limited to a factual accuracy review;
 - (ii) allowing Mawson and its Representatives a reasonable opportunity to review and make comments on the draft Scheme Booklet
 - (iii) taking all comments made by Mawson, received within a reasonable time, into account and in good faith when producing revised draft(s) of the Scheme Booklet;
 - (iv) providing to Mawson a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable Mawson to review the Regulator's Draft before the date of its submission; and

- (v) obtaining written approval from Mawson for the form and content in which the Mawson Information appears in the Scheme Booklet prior to lodging the Regulator's Draft with ASIC;
- (e) **Scheme Booklet Verification:** undertake appropriate verification processes in relation to the Scheme Booklet (other than the Mawson Information, the Independent Expert's Report and any statement on the letterhead of SXG's tax adviser of the tax consequences of the Scheme(s) and related matters as may be included in the Scheme Booklet);
- (f) **SXG Board approval of Regulator's Draft:** procure that a meeting of the SXG Board is convened to approve the Regulator's Draft be provided to ASIC for its review;
- (g) **ASIC review of Regulator's Draft Scheme Booklet:** no later than 14 days before the First Court Date provide to ASIC the Regulator's Draft, for its review and approval for the purposes of section 411(2) of the Corporations Act, and provide a copy of the Regulator's Draft to Mawson at the same time, and:
 - (i) liaise with ASIC as necessary and to the extent reasonably practicable during the ASIC Review Period; and
 - (ii) keep Mawson reasonably informed of any matters raised by ASIC in connection with the Regulator's Draft or the Scheme(s) and where practicable do so, consult with Mawson in good faith prior to taking any steps or actions to address any such matters raised by ASIC (provided that, where such issues relate to the Mawson Information, SXG must not take any steps to address them without Mawson's prior written consent)
- (h) **SXG directors' recommendation in Scheme Booklet:** subject to clause 6.10(c), include in the Scheme Booklet a statement by the SXG Board:
 - (i) unanimously recommending that SXG Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting; and
 - (ii) that each SXG Director will vote, or procure the voting of any SXG Shares held or controlled by or on their behalf in favour of the Scheme at the Scheme Meeting,

in the absence of a SXG Superior Proposal or unless there has been a change of recommendation permitted by clause 6.10;
- (i) **section 411(17)(b) statement:** apply to ASIC for the production of:
 - (i) indication of intent letters stating that it does not intend to appear before the Court on the First Court Date; and
 - (ii) statements under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme;
- (j) **Court directions:** apply to the Court for orders pursuant to section 411(1) of the Corporations Act directing SXG to convene the Scheme Meeting;
- (k) **ASIC Registration of Scheme Booklet:** if the Court directs SXG to convene the Scheme Meeting, in accordance with section 412(6) of the Corporations Act, request that ASIC register the Scheme Booklet;

- (l) **Issue Scheme Booklet:** issue the Scheme Booklet to SGX Shareholders as soon as practicable (including, if applicable by making them available electronically) after the Court orders SGX to convene the Scheme Meeting;
- (m) **appeal process:** if the Court refuses to make any orders directing SXG to convene the Scheme Meeting or approving the Scheme:
 - (i) consult with Mawson in good faith as to whether to appeal the Court's decision;
 - (ii) appeal the Court decision unless the parties agree otherwise or experienced external legal counsel opines that, in their view, an appeal would have no reasonable prospect of success, being less than 50% chance of success; and
 - (iii) SXG and Mawson will share equally the costs of any appeal.
- (n) **update Scheme Booklet:** if, after despatch of the Scheme Booklet and until the date of the Scheme Meeting, SXG becomes aware:
 - (i) that information included in the Scheme Booklet has become false, misleading or deceptive in any material respect or likely to mislead or deceive (whether by omission or otherwise) in any material respect; or
 - (ii) an omission of material information that is required to be disclosed in relation to the Scheme,

under any applicable law or having regard to ASIC Regulatory Guide 60, but was not included in the Scheme Booklet, promptly disclose such information to and consult with Mawson in good faith as to the need for, and form of, any supplementary disclosure, the need for, the timing of, and directions to be sought at, an additional application to the Court, and make any disclosure that it is ordered to make or considered reasonably necessary in the circumstances, having regard to the orders made by the Court, applicable laws and ASIC Regulatory Guide 60;
- (o) **apply for ASX and ASIC relief:** use its reasonable endeavours to apply for and obtain all waivers, exemptions and modifications from ASX and ASIC as may be required to facilitate implementation of the Scheme, including (if applicable) applying to ASX for a waiver of Listing Rule 6.23.2 to obtain the approval of SXG Shareholders for the Options Exchange;
- (p) **Scheme Meeting:** convene and hold the Scheme Meeting to agree to the Scheme in accordance with orders made by the Court pursuant to section 411(1) of the Corporations Act (and must not adjourn or postpone the Scheme Meeting or request the Court adjourn or postpone the Scheme Meeting, in either case without either there being a Superior Proposal or obtaining the prior written approval of Mawson, such approval not to be unreasonably withheld or delayed);
- (q) **Court documents:** prepare all documents necessary for the Court proceedings relating to the Scheme in accordance with all applicable laws and consult with Mawson and consider in good faith, for the purpose of amending drafts of these documents, comments from Mawson in relation to the documents required for the purpose of each of the Court hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme;
- (r) **Court approval:** subject to all Conditions other than the Conditions in clauses 2.1(h) being satisfied or waived in accordance with this Agreement, apply to the Court for orders approving the Scheme as agreed to by the SXG Shareholders (other than

Excluded Shareholders) at the Scheme Meeting in accordance with section 411(4)(b) of the Corporations Act;

- (s) **Counsel representation:**
 - (i) procure that SXG is represented by Counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act; and
 - (ii) allow, and not oppose, any application by Mawson for leave of the Court to be represented by counsel at the Court hearings;
- (t) **certificate:** at the hearing on the Second Court Date provide to the Court a certificate executed by SXG and Mawson confirming whether or not the Conditions in clause 2.1 (other than the Conditions in clauses 2.1(h)) have been satisfied or waived in accordance with this Agreement. A draft of such certificate is to be provided by SXG to Mawson at least 3 Business Days prior to the Second Court Date;
- (u) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Scheme (if made) on the day such office copy is received (or such later date as agreed in writing by Mawson);
- (v) **Scheme Consideration determination:** if the Court makes orders under section 411(4) of the Corporations Act approving the Scheme, close the SXG Share Register as at the Record Date and determine the identity of Scheme Shareholders and their entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;
- (w) **Scheme Consideration registration:** subject to Mawson having issued the Scheme Consideration in accordance with the Scheme and the Deed Poll, register all transfers of SXG Shares held by Scheme Shareholders to Mawson on or as soon as practicable after the Implementation Date;
- (x) **Scheme transfer:** promptly execute proper instruments for the transfer of, and register all transfers of, Scheme Shares to Mawson in accordance with the Scheme;
- (y) **shareholder information:** provide all necessary information, or procure that the SXG Registry provides all necessary information, in each case in a form reasonably requested by Mawson, about the Scheme, and Scheme Shareholders to Mawson and its Representatives which Mawson reasonably requires in order to:
 - (i) canvass agreement to the Scheme by Scheme Shareholders (including the results of directions by SXG to Scheme Shareholders under Part 6C.2 of the Corporations Act); or
 - (ii) facilitate the provision by, or on behalf of, Mawson of the Scheme Consideration.

SXG must comply with any reasonable request of Mawson for SXG to give directions to Scheme Shareholders pursuant to Part 6C.2 of the Corporations Act from time to time for one of the purposes referred to in (i) or (ii) above;

- (z) **proxy information:** between the date commencing 5 Business Days after the Scheme Booklet is sent and the day prior to the Scheme Meeting, on a weekly basis or otherwise as reasonably requested by Mawson, provide Mawson with details of proxies received in relation to the resolutions to be considered at the Scheme Meeting;

- (aa) **promote merits of Transaction:** participate in efforts reasonably requested by Mawson and considered reasonable by SXG to promote the merits of the Transaction, including:
 - (i) meeting with key SXG Shareholders at the reasonable request of Mawson and as considered reasonable by SXG; and
 - (ii) upon request by Mawson, undertake reasonable proxy solicitation actions to promote the merits of the Transaction and encourage voting in respect of the Scheme, subject to applicable law and ASIC policy;
- (bb) **ASIC and ASX review:** keep Mawson promptly informed of any material matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any comments made by Mawson;
- (cc) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction;
- (dd) **SXG Prescribed Event:** ensure that no SXG Prescribed Event occurs between the date of this Agreement and 8:00am on the Second Court Date;
- (ee) **ASX listing:** use its best endeavours to ensure that SXG continues to be listed on the ASX, and that the SXG Shares continue to be quoted on the ASX, until the close of business on the Implementation Date, including making appropriate applications to ASX and ASIC; and
- (ff) **other things necessary:** promptly do all other things reasonably within its power to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

6.3 Mawson's obligations

Mawson must take all necessary steps to implement the Scheme as soon as is reasonably practicable, including doing each of the following:

- (a) **Mawson Information for Scheme Booklet:**
 - (i) prepare and promptly provide to SXG the Mawson Information for inclusion in the Scheme Booklet, including information regarding the Mawson Group required by all applicable laws and in particular by the Corporations Act, the Corporations Regulations, RG60 and the Listing Rules;
 - (ii) undertake appropriate verification processes in relation to the Mawson Information for inclusion in the Scheme Booklet;
 - (iii) consent in writing to the inclusion of Mawson Information in the Scheme Booklet; and
 - (iv) confirm to SXG that Mawson has reasonable grounds to believe, and does believe, that the Mawson Information in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (b) **Independent Expert's report:** provide any information reasonably requested by the Independent Expert in connection with the Independent Expert's Report;
- (c) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by SXG and provide comments promptly on those drafts in good faith;

- (d) **Deed Poll:** by no later than the Business Day prior to the First Court Date, enter into the Deed Poll;
- (e) **Representation:** procure that, if reasonably requested by SXG, Mawson is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act;
- (f) **Mawson Meeting:** prepare the Mawson Circular together with any other documents required by applicable laws and TSXV policies in connection with the Mawson Meeting and ensure that the Mawson Circular complies in all material respects with all applicable laws and shall contain sufficient detail to permit the Mawson Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Mawson Meeting, and, without limiting the generality of the foregoing, ensure that the Mawson Circular does not contain any misrepresentation (except that Mawson shall not be responsible for any information included in the Mawson Circular relating to SXG and its affiliates that was provided by SXG expressly for inclusion in the Mawson Circular).
- (g) **Mawson Share Consolidation:** effect the Mawson Share Consolidation promptly after the Scheme Meeting.
- (h) **update Mawson Information:** promptly provide SXG with any Mawson Information that arises after the Scheme Booklet has been dispatched and until the date of the Scheme Meeting that is necessary to ensure that the Mawson Information in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (i) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction;
- (j) **Scheme Share transfer:** if the Scheme becomes Effective, accept a transfer of the Scheme Shares as contemplated by clause 4.2;
- (k) **Mawson Scheme Consideration:** if the Scheme become Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 5 and the terms of the Scheme and the Deed Poll and Option Scheme Deed Poll;
- (l) **Mawson Prescribed Event:** ensure that no Mawson Prescribed Event occurs between the date of this Agreement and 8:00am on the Second Court Date;
- (m) **TSXV listing:** use its best endeavours to ensure that Mawson continues to be listed on the TSXV, and that the Mawson Shares continue to be quoted on the TSXV; and
- (n) **other things necessary:** promptly do all other things reasonably within its power to give effect to the Scheme and the Deed Poll.

6.4 Conduct of Court proceedings

- (a) SXG and Mawson are entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) This Agreement does not give SXG or Mawson any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.
- (c) SXG and Mawson must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this Agreement.

6.5 Responsibility statements

The Scheme Booklet will contain a responsibility statement to the effect that:

- (a) Mawson is responsible for the Mawson Information contained in the Scheme Booklet and, to the maximum extent permitted by law, SXG will not be responsible for any Mawson Information and will disclaim any liability for the Mawson Information;
- (b) SXG is responsible for the SXG Information contained in the Scheme Booklet and, to the maximum extent permitted by law, Mawson will not be responsible for any SXG Information and will disclaim any liability for the SXG Information;
- (c) the Independent Expert is responsible for the Independent Expert's Report, and none of SXG, Mawson or their respective directors, officers or advisors assumes any responsibility for the accuracy or completeness of the Independent Expert's Report or any other report or letter issued to SXG by a third party in connection with the Independent Expert's Report; and
- (d) if the Scheme Booklet contains a statement on the letterhead of SXG's tax advisor of the tax consequences of the Scheme(s) and any related matters for Scheme Shareholders, that tax advisor is responsible for that letter.

6.6 Conduct of business of SXG Group

- (a) Subject to clause 6.6(b) and without limiting any other obligations of SXG under this Agreement, from the date of this Agreement up to and including the Implementation Date, SXG must conduct the business of the SXG Group, and must cause each member of the SXG Group to conduct their respective businesses, in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this Agreement, and must:
 - (i) make all reasonable efforts to:
 - (A) keep available the services of their directors, officers and employees;
 - (B) maintain and preserve their relationships with customers, suppliers, licensors, licensees and others having business dealings with any member of the SXG Group (including, using reasonable endeavours to obtain consents from third parties to any change of control provisions which Mawson reasonably requests in contracts or arrangements to which a member of the SXG Group is a party); and
 - (C) not enter into any lines of business or other activities in which the SXG Group is not engaged as at the date of this Agreement;
 - (ii) incur any additional financial indebtedness (except for draw-downs on existing banking facilities), or guarantee or indemnify the obligations of any person other than a member of the SXG Group, other than in the usual and ordinary course of business and consistent with past practice;
 - (iii) enter into any new material financing arrangement, agreement or otherwise provide material financial accommodation (irrespective of what form that accommodation takes), or amend the term of any existing financing arrangement, agreement or instrument in a material respect; or
 - (iv) not and must procure that each SXG Group Member does not, settle or compromise any material dispute, audit or inquiry in relation to tax or duty or

materially amend any tax return, other than in the ordinary course of its business.

- (b) Nothing in clause 6.6(a) restricts the ability of SXG to take any action which:
 - (i) relates to an acquisition or relinquishment of tenements, the undertaking of exploration expenditure or acquiring or contracting capital equipment for that purpose, in each case in accordance with the ordinary course of business and business strategy of the SXG Group;
 - (ii) is required by or expressly acknowledged by this Agreement or the Scheme, including purchasing a D&O Policy;
 - (iii) has been agreed to in writing by Mawson; or
 - (iv) has been fully and fairly disclosed in public filings of SXG with ASX before the date of this Agreement.

6.7 Conduct of business of Mawson Group

- (a) Subject to clause 6.7(b) and without limiting any other obligations of Mawson under this Agreement, from the date of this Agreement up to and including the Implementation Date, Mawson must conduct the business of the Mawson Group, and must cause each member of the Mawson Group to conduct their respective businesses, in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this Agreement, and must:
 - (i) make all reasonable efforts to:
 - (A) keep available the services of their directors, officers and employees;
 - (B) maintain and preserve their relationships with customers, suppliers, licensors, licensees and others having business dealings with any member of the Mawson Group (including, using reasonable endeavours to obtain consents from third parties to any change of control provisions which Mawson reasonably requests in contracts or arrangements to which a member of the Mawson Group is a party); and
 - (C) not enter into any lines of business or other activities in which the Mawson Group is not engaged as at the date of this Agreement;
 - (ii) incur any additional financial indebtedness (except for draw-downs on existing banking facilities), or guarantee or indemnify the obligations of any person other than a member of the Mawson Group, other than in the usual and ordinary course of business and consistent with past practice;
 - (iii) enter into any new material financing arrangement, agreement or otherwise provide material financial accommodation (irrespective of what form that accommodation takes), or amend the term of any existing financing arrangement, agreement or instrument in a material respect; or
 - (iv) not and must procure that each Mawson Group Member does not, settle or compromise any material dispute, audit or inquiry in relation to tax or duty or materially amend any tax return, other than in the ordinary course of its business.
- (b) Nothing in clause 6.7(a) restricts the ability of Mawson to take any action which:

- (i) is required by or expressly acknowledged by this Agreement or the Scheme, including the Euro Canna Transaction, the Mawson Share Consolidation, or purchasing a D&O Policy;
- (ii) has been agreed to in writing by SXG; or
- (iii) has been fully and fairly disclosed in public filings of Mawson with TSXV before the date of this Agreement.

6.8 Mawson board changes

- (a) Mawson represents and warrants to SXG that it has been advised by each Mawson Director that they will, and Mawson must procure that the Mawson Board will, on the Implementation Date:
 - (i) procure that each Mawson Director (other than Michael Hudson) resigns from their office as a Mawson Director by providing to the Mawson Board their resignation in writing (such resignation to include a statement to the effect that the outgoing director has no claim outstanding against any member of the Mawson Group);
 - (ii) procure that those persons who are SXG Directors are appointed to the Mawson Board (if not already members of the Mawson Board); and
 - (iii) appoint Tom Eadie as Chair of the Mawson Board.
- (b) The obligations in clause 6.8(a) are subject to the receipt by Mawson of any necessary consents to act as directors of Mawson.
- (c) There will be no changes to the board of directors of any SXG Group Members subject to clause 6.9, as a consequence of the Transaction.

6.9 Assistance with integration

- (a) The parties must work together in good faith from the date of this Agreement up to and including the Implementation Date to facilitate the efficient implementation of plans by SXG and Mawson for the merged business of the SXG Group and Mawson following the Implementation Date, subject to compliance with their respective obligations, powers and duties under this Agreement, their constituent documents and all applicable law and the proper performance by the directors of the SXG Group and Mawson of their fiduciary duties.

6.10 SXG Board recommendation

- (a) Subject to clauses 6.10(b) and (c), the SXG Board must unanimously recommend that SXG Shareholders (other than Excluded Shareholders) vote in favour of:
 - (i) the Scheme; and
 - (ii) the resolutions relevant to SXG Shareholders in the Scheme Booklet, at the Scheme Meeting in the absence of a SXG Superior Proposal.
- (b) The SXG Board collectively and the members of the SXG Board individually, must not:
 - (i) withdraw or adversely modify its or their recommendation in favour of the Scheme; or

- (ii) support or endorse a SXG Competing Proposal or recommend that SXG Shareholders accept or vote in favour of a SXG Competing Proposal,

unless:

- (iii) the Independent Expert provides a report to SXG which concludes (and continues to conclude) that the Scheme is not in the best interests of SXG Shareholders (other than Excluded Shareholders);
- (iv) SXG has received a SXG Competing Proposal that the SXG Board determines is a SXG Superior Proposal such that SXG no longer considers the Scheme to be in the best interests of SXG Shareholders (other than Excluded Shareholders), provided that Mawson has extinguished its rights under and in accordance with clause 13.6(c). For the avoidance of doubt, this clause 6.10(b)(iv) does not relieve SXG from its obligation to pay the SXG Reimbursement Fee pursuant to clause 15.2(a);
- (v) the SXG Board has obtained written legal advice from external legal advisors (who must be reputable advisors experienced in transactions of this nature) and the SXG Board determines in good faith that, by virtue of the directors' duties of the members of the SXG Board, members of the SXG Board are required to change, withdraw or modify their recommendation. For the avoidance of doubt, this clause 6.10(b)(iv) does not relieve SXG from its obligation to pay the SXG Reimbursement Fee pursuant to clause 15.2(a);
- (vi) an event in clause 16.1(n)(ii) occurs and SXG has provided notice of termination to Mawson in accordance with that clause; or
- (vii) there is a failure to satisfy a Condition by the Relevant Date and that Condition is for the benefit of SXG or both parties, other than as a result of a breach by SXG of clause 2.3 and the parties have complied with their obligations pursuant to clause 2.5,

provided also that the SXG Board has complied with its obligations under clause 13.

- (c) The obligations of SXG under this Agreement (including under clauses 6.2(a) and 6.10(a)) to ensure that each SXG Director provides and maintains their recommendation that SXG Shareholders vote in favour of the Scheme and the resolutions relevant to SXG Shareholders in the Scheme Booklet is qualified to the extent that any SXG Director considers, after a court or Government Agency has required, that they should not provide or continue to maintain any recommendation (positive or adverse) because that SXG Director has an interest in the Scheme that is so materially different from other SXG Shareholders which would properly preclude or render it inappropriate for them to provide any such recommendation.

6.11 Mawson Board recommendation

- (a) Subject to clause 6.11(b), the Mawson Board must unanimously recommend that Mawson Shareholders vote in favour of the Mawson Resolutions in the absence of a Mawson Superior Proposal.
- (b) The Mawson Board collectively and the members of the Mawson Board individually, must not:
 - (i) withdraw or adversely modify its or their recommendation in favour of the Mawson Resolutions; or

- (ii) support or endorse a Mawson Competing Proposal or recommend that Mawson Shareholders accept or vote in favour of a Mawson Competing Proposal,

unless:

- (iii) Mawson has received a Mawson Competing Proposal that the Mawson Board determines is a Mawson Superior Proposal such that Mawson no longer considers the Transaction to be in the best interests of Mawson Shareholders, provided that SXG has extinguished its rights under and in accordance with clause 14.6(c). For the avoidance of doubt, this clause 6.11(b)(iii) does not relieve Mawson from its obligation to pay the Mawson Reimbursement Fee pursuant to clause 15.4(a);
- (iv) the Mawson Board has obtained written legal advice from external legal advisors (who must be reputable advisors experienced in transactions of this nature) and the Mawson Board determines in good faith that, by virtue of the directors' duties of the members of the Mawson Board, members of the Mawson Board are required to change, withdraw or modify their recommendation. For the avoidance of doubt, this clause 6.11(b)(iv) does not relieve Mawson from its obligation to pay the Mawson Reimbursement Fee pursuant to clause 15.4(a);
- (v) an event in clause 16.1(m) occurs and Mawson has provided notice of termination to SXG in accordance with that clause; or
- (vi) there is a failure to satisfy a Condition by the Relevant Date and that Condition is for the benefit of Mawson or both parties, other than as a result of a breach by Mawson of clause 2.3 and the parties have complied with their obligations pursuant to clause 2.5,

provided also that the Mawson Board has complied with its obligations under clause 14.

7. Euro Canna Transaction

7.1 General

- (a) Mawson will keep SXG informed in respect of all material steps taken or proposed to be taken in respect of the Euro Canna Transaction.
- (b) Completion of the Euro Canna Transaction is not a Condition to implementation of the Transaction.

7.2 Obligations incurred by Mawson Group

Mawson must obtain SXG's prior written consent (such consent not to be unreasonably withheld or delayed) if, in connection with a Euro Canna Transaction, any member of the Mawson Group:

- (a) provides any representation or warranty or incurs any obligation or liability to a Third Party that continues after the Implementation Date; or
- (b) provides an indemnity to any Third Party.

8. Access to information

8.1 General

- (a) Between the date of this Agreement and the Implementation Date, each party must, and must cause each of its respective Group members to, promptly afford the other party and its Representatives reasonable access to information (subject to any existing confidentiality obligations owed to Third Parties), premises or such senior executives of any member of the other party's corporate group (being the Mawson Group or SXG Group, as applicable) as reasonably requested, at mutually convenient times and afford the other party reasonable co-operation for the sole purpose of:
- (i) keeping each party informed as to the status and conduct of the business of the other party (including, without limitation, in relation to proposed and completed drilling, communications with Government Agencies, regulatory compliance, actual or potential breaches or disputes with joint venture partners or regulators, feasibility or other study updates, and permit application status);
 - (ii) implementation of the Scheme and the performance of its obligations under this Agreement, provided that nothing in this clause will require SXG to provide information concerning SXG's directors and management's consideration of the Scheme, any SXG Competing Proposal, or any Potential Competing Proposal; and
 - (iii) any other purpose agreed between the parties,
- provided that:
- (i) such requests do not result in unreasonable disruptions to the party's business; and
 - (ii) the party may provide its records to the other party at a place other than at the party's business premises.
- (b) Mawson must provide, and must cause other members of the Mawson Group to provide SXG and its Representatives with reasonable access (at times mutually agreeable to the parties) to Mawson's auditors, accountants, books and records (including financial reports, audited or otherwise) for the purpose of preparation of the financial statements (including pro forma statements for the combined SXG-Mawson entity, if any) for inclusion in the Scheme Booklet (and any updates) or the ASX listing of Mawson.

8.2 Counterparty consents

SXG and Mawson will cooperate with each other in good faith, and will take all actions reasonably required, to seek to identify and obtain all counterparty consents (if any) which are necessary or desirable to implement the Transaction.

9. Representations and warranties

9.1 Mawson Representations and Warranties

Mawson represents and warrants to SXG each of the Mawson Representations and Warranties.

9.2 Qualifications on Mawson Representations and Warranties

The Mawson Representations and Warranties under clause 9.1 and Schedule 2 are subject to matters which:

- (a) are expressly provided for in this Agreement;
- (b) have been fully and fairly disclosed in Mawson's public filings on TSXV before the date of this Agreement; or
- (c) are within the actual knowledge of SXG, which for these purposes is taken to include (and be limited to) the facts, matters and circumstances of which a SXG Director is actually aware as at the date of this Agreement.

9.3 Awareness of Mawson Representations and Warranties

Where a Mawson Representation and Warranty is given 'to the best of the Mawson Directors' knowledge', or 'so far as the Mawson Directors are aware' or with a similar qualification as to the awareness or knowledge of the Mawson Directors, the Mawson Directors will be deemed to know or be aware of a particular fact, matter or circumstance if any Mawson Director is actually aware of that fact, matter or circumstance as at the date of this Agreement or would reasonably be expected to be aware of that fact, matter or circumstance if, on the date the Mawson Representation and Warranty is given, they had made due and reasonable enquiries as to the accuracy of the Mawson Representation and Warranty.

9.4 SXG Representations and Warranties

SXG represents and warrants to Mawson each of the SXG Representations and Warranties.

9.5 Qualifications on SXG Representations and Warranties

The SXG Representations and Warranties under clause 9.4 and Schedule 3 are subject to matters which:

- (a) are expressly provided for in this Agreement;
- (b) have been fully and fairly disclosed in SXG's public filings on ASX before the date of this Agreement; or
- (c) are within the actual knowledge of Mawson, which for these purposes is taken to include (and be limited to) the facts, matters and circumstances of which a Mawson Director is actually aware as at the date of this Agreement.

9.6 Awareness of SXG Representations and Warranties

Where a SXG Representation and Warranty is given 'to the best of the SXG Directors' knowledge', or 'so far as the SXG Directors are aware' or with a similar qualification as to the awareness or knowledge of the SXG Directors, the SXG Directors will be deemed to know or be aware of a particular fact, matter or circumstance if any SXG Director is actually aware of that fact, matter or circumstance as at the date of this Agreement or would reasonably be expected to be aware of that fact, matter or circumstance if, on the date the SXG Representation and Warranty is given, they had made due and reasonable enquiries as to the accuracy of the SXG Representation and Warranty.

9.7 Timing of representation and warranties

Each representation and warranty made or given under clauses 9.1 or 9.4 is given:

- (a) at the date of this Agreement; and

- (b) at 8:00am on the Second Court Date; or
- (c) where expressed to be given at a particular time, at that time.

9.8 No other representations on reliance

- (a) Each party acknowledges that no party (nor any person acting or its behalf) has made any representation or other inducement to it to enter into this Agreement, except for representations or inducements expressly set out in this Agreement and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
 - (b) Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this Agreement.
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10. Releases

10.1 SXG directors and officers

- (a) Mawson releases its respective rights, and agrees with SXG that it will not make a claim, against any person who is or was a director, officer, employee or adviser of or to SXG Group (**SXG Interested Party**) in connection with:
 - (i) any breach of any representations, covenants and warranties of SXG in this Agreement; or
 - (ii) any disclosures containing any statement which is false or misleading whether in content or by omission,except where the SXG Interested Party has not acted in good faith or has engaged in fraud, wilful misconduct or dishonesty.
- (b) This clause is subject to any statutory restriction and will be read down accordingly.
- (c) SXG receives and holds the benefit of this clause to the extent it relates to each SXG Interested Party as trustee for each of them.

10.2 Mawson directors and officers

- (a) SXG releases its rights, and agrees with Mawson that it will not make a claim, against any person who is or was a director, officer, employee or adviser of or to Mawson Group (**Mawson Interested Party**) in connection with:
 - (i) any breach of any representations, covenants and warranties of Mawson in this Agreement; or
 - (ii) any disclosure containing any statement which is false or misleading whether in content or by omission,except where the Mawson Interested Party has not acted in good faith or has engaged in fraud, wilful misconduct or dishonesty.
- (b) This clause is subject to any statutory restriction and will be read down accordingly.

- (c) Mawson receives and holds the benefit of this clause to the extent it relates to each Mawson Interested Party as trustee for each of them.
-

11. Public announcement

11.1 Announcement of Transaction

Immediately after the execution of this Agreement, SXG and Mawson must issue a joint public announcement in a form agreed to in writing between them.

11.2 Public announcements

Subject to clause 11.3, no public announcement or disclosure of the Transaction or any other transaction the subject of this Agreement or the Scheme may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable, except where the announcement is being made in connection with a SXG Competing Proposal or Mawson Competing Proposal, or SXG Superior Proposal or Mawson Superior Proposal, a change in recommendation of the directors of SXG or Mawson or in connection with a dispute between the parties regarding the Scheme.

11.3 Required disclosure

Where a party is required by applicable law, the ASX Listing Rules, the rules of any other applicable stock exchange or by ASX, TSXV, ASIC or the Court to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this Agreement or the Scheme, it must use reasonable endeavours, to the extent reasonably practicable and lawful, to consult with the other party prior to making the relevant disclosure.

12. Confidentiality

- (a) SXG and Mawson agree to keep the other party's Confidential Information confidential, other than any information which is included in the Scheme Booklet.
- (b) A party may only use the other party's Confidential Information:
 - (i) if necessary to perform that party's obligations under this agreement; or
 - (ii) if the other party consents in writing to the use.
- (c) A party may only disclose the other party's Confidential Information:
 - (i) to that party's professional advisers;
 - (ii) if required by law or the listing rules or policies of a stock exchange on which it is listed;
 - (iii) if necessary to perform that party's obligations under this agreement; or
 - (iv) if the other party consents in writing to the disclosure.
- (d) In this clause, **Confidential Information** of a party is a reference to:
 - (i) any information provided by the party to the other for the purpose of, or under the terms of, the Transaction; and
 - (ii) any other information belonging to the party which is of a confidential nature,

but does not include information:

- (iii) which is part of or becomes part of the public domain other than through a breach of this Agreement (or any other confidentiality agreement or obligations between the parties);
- (iv) which was already known to the recipient at the time of disclosure (unless such knowledge arises from a breach of this Agreement); and
- (v) that the recipient acquired from a source other than the discloser or Representative of the discloser, if such source is entitled to disclose it on a non-confidential basis.

13. SXG's exclusivity obligations

13.1 No current discussions

SXG represents and warrants to Mawson that, as at the date of this Agreement it and each SXG Group Member and Representative:

- (a) is not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating any actual, proposed or potential SXG Competing Proposal;
- (b) is not directly or indirectly participating in any discussions, negotiations or other communications, and has terminated any discussions, negotiations or other communications, in relation to any actual, proposed or potential SXG Competing Proposal, or which could reasonably be expected to lead to a SXG Competing Proposal;
- (c) has ceased to provide or make available any non-public information in relation to the SXG Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a SXG Competing Proposal; and
- (d) has requested in writing (or will do so within 5 Business Days) the return or destruction of any non-public information (with such return or destruction to be effected as soon as practicable) in relation to the SXG Group provided to a Third Party at any time within the 3 months prior to the date of this Agreement where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a SXG Competing Proposal.

SXG must, and must procure that each SXG Group Member must, not terminate, waive, amend or modify any provision of any existing confidentiality agreement or any standstill agreement to which any member of the SXG Group is a party and must use reasonable endeavours to enforce all standstill, non-disclosure, non-solicit and similar covenants in any agreements to which any member of the SXG Group is a party.

13.2 No shop restriction

During the Exclusivity Period, SXG must not, and must procure that each SXG Group Member and their respective Representatives do not, directly or indirectly:

- (a) solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any SXG Competing Proposal or any Potential Competing Proposal with any Third Party; or

- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 13.2(a) on its behalf.

13.3 No talk restriction

Subject to clause 13.8, during the Exclusivity Period, SXG must not, and must procure that its Representatives do not, directly or indirectly:

- (a) facilitate, participate, enter into or continue negotiations or discussions with any Third Party in relation to a SXG Competing Proposal or Potential Competing Proposal, or that may reasonably be expected to encourage or lead to a SXG Competing Proposal or Potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a SXG Competing Proposal or Potential Competing Proposal;
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 13.3; or
- (d) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this clause 13.3 on its behalf,

even if the SXG Competing Proposal or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by SXG or any of its Representatives or has been publicly announced.

13.4 No due diligence restriction

Subject to clause 13.8, during the Exclusivity Period, SXG must not, and must procure that its Representatives do not, directly or indirectly:

- (a) make available to any Third Party, or cause or permit any Third Party (other than a Government Agency) to receive, any non-public information relating to SXG Group or any of its Subsidiaries that may reasonably be expected to assist such Third Party in formulating, developing or finalising a SXG Competing Proposal or a Potential Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 13.4(a) on its behalf.

13.5 Notification obligations

- (a) During the Exclusivity Period SXG must promptly (and in any event within 24 hours) notify Mawson in writing of the fact of:
 - (i) any approach, inquiry or proposal made by any person to SXG or any of its Representatives, to initiate any discussions or negotiations that concern a SXG Competing Proposal or Potential Competing Proposal; and
 - (ii) any request made by any person to SXG or any of its Representatives, for any non-public information relating to SXG, its Subsidiaries, or any of their assets and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a SXG Competing Proposal, whether oral or in writing.
- (b) A notice given under clause 13.5(a) must be accompanied by the material terms and conditions (including price, conditions precedent, timetable and break free if any) of any SXG Competing Proposal or Potential Competing Proposal (to the extent then

known to SXG), and the identity of the proponent of the SXG Competing Proposal or Potential Competing Proposal.

- (c) During the Exclusivity Period, SXG must promptly provide Mawson with:
 - (i) in the case of written materials, a copy of; or
 - (ii) in any other case, a written statement of,

any material non-public information regarding the assets or operations of the SXG Group made available by it to any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a SXG Competing Proposal and which has not previously been provided to Mawson.
- (d) Without limiting clauses 13.2, 13.3, 13.4 and 13.8 if, during the Exclusivity Period a SXG Group Member (or any Representative of a SXG Group Member) provides any information relating to the SXG Group to any person in connection with or for the purposes of a SXG Competing Proposal, it must promptly provide to Mawson a complete copy of that information to the extent that Mawson has not already received that information.

13.6 Response to SXG Competing Proposal and Counter Proposal

- (a) If SXG is permitted by virtue of clause 13.8 to engage in activity that would otherwise breach any of clauses 13.3 or 13.4, SXG must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal or Potential Competing Proposal on customary terms, and in any event on terms no less favourable to SXG than the Confidentiality Agreement entered into with Mawson.
- (b) SXG may only enter into any agreement, commitment, arrangement or understanding relating to the SXG Competing Proposal (other than a confidentiality agreement contemplated by clause 13.6(a)) if:
 - (i) the SXG Directors have made the determination contemplated by clause 13.8(b) in respect of that SXG Competing Proposal;
 - (ii) SXG has given Mawson written notice (**Relevant Notice**) of the proposal to enter into the relevant agreement, commitment, arrangement or understanding;
 - (iii) SXG has given Mawson all information that would be required by clause 13.5(b) together with the identity of the proponent of the SXG Competing Proposal; and
 - (iv) the SXG Directors have made the determination contemplated by clause 13.8(b) in respect of that SXG Competing Proposal after evaluation of any Counter Proposal and the exhaustion of Mawson's rights under and in accordance with clause 13.6(d).
- (c) If SXG gives a Relevant Notice to Mawson, Mawson will have the right, but not the obligation, at any time during the period of 5 Business Days after the day on which Mawson receives the Relevant Notice, to propose to amend the terms of the Transaction including by increasing the amount of consideration offered under the Transaction or proposing any other form of transaction (each a **Counter Proposal**).
- (d) If Mawson provides a Counter Proposal to SXG:
 - (i) the SXG Directors must review the Counter Proposal in good faith; and

- (ii) if the SXG Directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to SXG and the SXG Shareholders (other than the Excluded Shareholders) than the SXG Competing Proposal (having regard to the matters noted in clause 13.8(b)), then SXG and Mawson must use their best endeavours to agree the amendments to this Agreement that are reasonably necessary to reflect the Counter Proposal and to enter into an amended Agreement to give effect to those amendments and to implement the Counter Proposal, and SXG must recommend the Counter Proposal to the SXG Shareholders and not recommend the applicable SXG Competing Proposal.

13.7 Revisions to a Competing Proposal

Any material modification to any SXG Competing Proposal will be deemed to make that proposal a new SXG Competing Proposal in respect of which SXG must separately comply with its obligations under clauses 13.5 and 13.6.

13.8 Fiduciary exception

The restrictions in clauses 13.3 and 13.4 and the obligations in clause 13.5 to disclose the identity of the proponent of the SXG Competing Proposal do not apply to the extent they restrict SXG or any SXG Director from taking or refusing to take any action with respect to a SXG Competing Proposal or Potential Competing Proposal (in relation to which there has been no contravention of clause 13.2) provided that:

- (a) the SXG Competing Proposal or Potential Competing Proposal is bona fide and is made by or on behalf of a person that the SXG Directors consider is of sufficient commercial standing to implement the SXG Competing Proposal; and
- (b) the SXG Directors have determined in good faith after consultation with its external legal advisor (who must be reputable advisors experienced in transactions of this nature) and (if applicable) financial advisors that:
 - (i) the SXG Competing Proposal is or may be expected to lead to a SXG Superior Proposal;
 - (ii) the Potential Competing Proposal may be expected to lead to a SXG Superior Proposal if it were to be proposed; or
 - (iii) failing to take the action or refusing to take the action (as the case may be) with respect to the SXG Competing Proposal or Potential Competing Proposal would or would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of any member of the SXG Board.

13.9 Compliance with law

- (a) If it is finally determined by a court or the Takeovers Panel that the agreement by the parties under this clause 13 or any part of it:
 - (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the members of the SXG Board;
 - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be unlawful for any other reason,

then, to that extent (and only to that extent) SXG will not be obliged to comply with that provision of this clause 13.

- (b) The parties must not make or cause or permit to be made on their behalf, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 13.9(a).

13.10 Normal provision of information

Nothing in this clause 13 prevents SXG from:

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the rules or policies of an applicable securities exchange or to any Government Agency; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

14. Mawson's exclusivity obligations

14.1 No current discussions

Mawson represents and warrants to SXG that, as at the date of this Agreement it and each Mawson Group Member and Representative:

- (a) is not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating any actual, proposed or potential Mawson Competing Proposal;
- (b) is not directly or indirectly participating in any discussions, negotiations or other communications, and has terminated any discussions, negotiations or other communications, in relation to any actual, proposed or potential Mawson Competing Proposal, or which could reasonably be expected to lead to a Mawson Competing Proposal;
- (c) has ceased to provide or make available any non-public information in relation to the Mawson Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Mawson Competing Proposal; and
- (d) has requested in writing (or will do so within 5 Business Days) the return or destruction of any non-public information (with such return or destruction to be effected as soon as practicable) in relation to the Mawson Group provided to a Third Party at any time within the 3 months prior to the date of this Agreement where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Mawson Competing Proposal.

Mawson must, and must procure that each Mawson Group Member must, not terminate, waive, amend or modify any provision of any existing confidentiality agreement or any standstill agreement to which any member of the Mawson Group is a party and must use reasonable endeavours to enforce all standstill, non-disclosure, non-solicit and similar covenants in any agreements to which any member of the Mawson Group is a party.

14.2 No shop restriction

During the Exclusivity Period, Mawson must not, and must procure that each Mawson Group Member and their respective Representatives do not, directly or indirectly:

- (a) solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any Mawson Competing Proposal or any Potential Competing Proposal with any Third Party; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 14.2(a) on its behalf.

14.3 No talk restriction

Subject to clause 14.8, during the Exclusivity Period, Mawson must not, and must procure that its Representatives do not, directly or indirectly:

- (a) facilitate, participate, enter into or continue negotiations or discussions with any Third Party in relation to a Mawson Competing Proposal or Potential Competing Proposal, or that may reasonably be expected to encourage or lead to a Mawson Competing Proposal or Potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Mawson Competing Proposal or Potential Competing Proposal;
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 14.3; or
- (d) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this clause 14.3 on its behalf,

even if the Mawson Competing Proposal or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Mawson or any of its Representatives or has been publicly announced.

14.4 No due diligence restriction

Subject to clause 14.8, during the Exclusivity Period, Mawson must not, and must procure that its Representatives do not, directly or indirectly:

- (a) make available to any Third Party, or cause or permit any Third Party (other than a Government Agency) to receive, any non-public information relating to Mawson Group or any of its Subsidiaries that may reasonably be expected to assist such Third Party in formulating, developing or finalising a Mawson Competing Proposal or a Potential Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 14.4(a) on its behalf.

14.5 Notification obligations

- (a) During the Exclusivity Period Mawson must promptly (and in any event within 24 hours) notify SXG in writing of the fact of:
 - (i) any approach, inquiry or proposal made by any person to Mawson or any of its Representatives, to initiate any discussions or negotiations that concern a Mawson Competing Proposal or Potential Competing Proposal; and

- (ii) any request made by any person to Mawson or any of its Representatives, for any non-public information relating to Mawson, its Subsidiaries, or any of their assets and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Mawson Competing Proposal, whether oral or in writing.
- (b) A notice given under clause 14.5(a) must be accompanied by the material terms and conditions (including price, conditions precedent, timetable and break free if any) of any Mawson Competing Proposal or Potential Competing Proposal (to the extent then known to Mawson), and the identity of the proponent of the Mawson Competing Proposal or Potential Competing Proposal.
- (c) During the Exclusivity Period, Mawson must promptly provide SXG with:
 - (i) in the case of written materials, a copy of; or
 - (ii) in any other case, a written statement of,

any material non-public information regarding the assets or operations of the Mawson Group made available by it to any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Mawson Competing Proposal and which has not previously been provided to SXG.
- (d) Without limiting clauses 14.2, 14.3, 14.4 and 14.8 if, during the Exclusivity Period a Mawson Group Member (or any Representative of a Mawson Group Member) provides any information relating to the Mawson Group to any person in connection with or for the purposes of a Mawson Competing Proposal, it must promptly provide to SXG a complete copy of that information to the extent that SXG has not already received that information.

14.6 Response to Mawson Competing Proposal and Counter Proposal

- (a) If Mawson is permitted by virtue of clause 14.8 to engage in activity that would otherwise breach any of clauses 14.3 or 14.4, Mawson must enter into a confidentiality agreement with the person who has made the applicable Mawson Competing Proposal or Potential Competing Proposal on customary terms, and in any event on terms no less favourable to Mawson than the Confidentiality Agreement entered into with SXG.
- (b) Mawson may only enter into any agreement, commitment, arrangement or understanding relating to the Mawson Competing Proposal (other than a confidentiality agreement contemplated by clause 14.6(a)) if:
 - (i) the Mawson Directors have made the determination contemplated by clause 14.8(b) in respect of that Mawson Competing Proposal;
 - (ii) Mawson has given SXG written notice (**Relevant Notice**) of the proposal to enter into the relevant agreement, commitment, arrangement or understanding;
 - (iii) Mawson has given SXG all information that would be required by clause 13.5(b) together with the identity of the proponent of the Mawson Competing Proposal; and
 - (iv) the Mawson Directors have made the determination contemplated by clause 14.8(b) in respect of that Mawson Competing Proposal after evaluation of any Counter Proposal and the exhaustion of SXG's rights under and in accordance with clause 14.6(d).

- (c) If Mawson gives a Relevant Notice to SXG, SXG will have the right, but not the obligation, at any time during the period of 5 Business Days after the day on which SXG receives the Relevant Notice, to propose to amend the terms of the Transaction including by changing the amount or form of consideration offered under the Transaction or proposing any other form of transaction (each a **Counter Proposal**).
- (d) If SXG provides a Counter Proposal to Mawson:
 - (i) the Mawson Directors must review the Counter Proposal in good faith; and
 - (ii) if the Mawson Directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to Mawson and the Mawson Shareholders than the Mawson Competing Proposal (having regard to the matters noted in clause 14.8(b)), then Mawson and SXG must use their best endeavours to agree the amendments to this Agreement that are reasonably necessary to reflect the Counter Proposal and to enter into an amended Agreement to give effect to those amendments and to implement the Counter Proposal, and Mawson must recommend the Counter Proposal to the Mawson Shareholders and not recommend the applicable Mawson Competing Proposal.

14.7 Revisions to a Competing Proposal

Any material modification to any Mawson Competing Proposal will be deemed to make that proposal a new Mawson Competing Proposal in respect of which Mawson must separately comply with its obligations under clauses 14.5 and 14.6.

14.8 Fiduciary exception

The restrictions in clauses 14.3 and 14.4 and the obligations in clause 14.5 to disclose the identity of the proponent of the Mawson Competing Proposal do not apply to the extent they restrict Mawson or any Mawson Director from taking or refusing to take any action with respect to a Mawson Competing Proposal or Potential Competing Proposal (in relation to which there has been no contravention of clause 14.2) provided that:

- (a) the Mawson Competing Proposal or Potential Competing Proposal is bona fide and is made by or on behalf of a person that the Mawson Directors consider is of sufficient commercial standing to implement the Mawson Competing Proposal; and
- (b) the Mawson Directors have determined in good faith after consultation with its external legal advisor (who must be reputable advisors experienced in transactions of this nature) and (if applicable) financial advisors that:
 - (i) the Mawson Competing Proposal is or may be expected to lead to a Mawson Superior Proposal;
 - (ii) the Potential Competing Proposal may be expected to lead to a Mawson Superior Proposal if it were to be proposed; or
 - (iii) failing to take the action or refusing to take the action (as the case may be) with respect to the Mawson Competing Proposal or Potential Competing Proposal would or would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of any member of the Mawson Board.

14.9 Compliance with law

- (a) If it is finally determined by a court or the Takeovers Panel that the agreement by the parties under this clause 14 or any part of it:
- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the members of the Mawson Board;
 - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be unlawful for any other reason,
- then, to that extent (and only to that extent) Mawson will not be obliged to comply with that provision of this clause 14.
- (b) The parties must not make or cause or permit to be made on their behalf, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 14.9(a).

14.10 Normal provision of information

Nothing in this clause 14 prevents Mawson from:

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the rules or policies of an applicable securities exchange or to any Government Agency; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

15. Reimbursement of costs

15.1 Background to Reimbursement Fees

- (a) Each of Mawson and SXG represents and warrants to the other that it would not have entered into this Agreement without the benefit of this clause 15, and that if the Transaction is subsequently not implemented it will incur significant costs, including significant opportunity costs.
- (b) In the circumstances referred to in clause 15.1(a), each party has requested provision be made for the payments outlined in clauses 15.2 and 15.4, without which Mawson and SXG (respectively) would not have entered into this Agreement.
- (c) Each party confirms that its Board has acknowledged that:
 - (i) it has received legal advice in relation to this Agreement and the operation of this clause 15;
 - (ii) it believes the implementation of the Transaction will provide significant benefits to it and its shareholders, such that it is reasonable and appropriate for Mawson and SXG to agree to their respective Reimbursement Fee

obligations in order to secure the other party's participation in the Transaction; and

- (iii) the relevant Reimbursement Fee represents a genuine and reasonable estimate of cost and loss that would be suffered by the party if this Agreement was entered into and the Transaction is subsequently not implemented.

15.2 Payment of the SXG Reimbursement Fee

Subject to clause 15.7, SXG must pay the SXG Reimbursement Fee to Mawson, without set-off or withholding, if:

- (a) **(change of Board recommendation)** prior to the earlier of the Effective Date or the End Date, any Independent SXG Director withdraws or adversely modifies their support of the Scheme or their recommendation that SXG Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, or makes a public statement indicating that they no longer support the Transaction or that they support a SXG Competing Proposal, other than as a result of:
 - (i) any matter or thing giving SXG the right to terminate under clause 16.1(n) (material breach);
 - (ii) failure of a Condition which is for the benefit of SXG or both parties, other than as a result of a breach by SXG of clause 2.3 and provided that the parties have complied with clause 2.5; or
 - (iii) the Independent Expert provides a report to SXG (either initially or in any updated report) which concludes that the Scheme is not in the best interests of SXG Shareholders (other than Excluded Shareholders) other than because of a SXG Competing Proposal;
- (b) **(Competing Proposal completes)** during the Exclusivity Period, a Third Party makes or announces a SXG Competing Proposal and within 12 months after it is made or announced that SXG Competing Proposal is completed or the Third Party announcing or making the SXG Competing Proposal:
 - (i) directly or indirectly acquires a relevant interest or an economic interest in 20% or more of SXG Shares or the share capital of any of SXG's Subsidiaries;
 - (ii) directly or indirectly acquires control (as defined in section 50AA of the Corporations Act) of SXG or any of its Subsidiaries;
 - (iii) directly or indirectly acquires or becomes the holder of any interest in all or a substantial part of the business or assets of SXG or any of its Subsidiaries; or
 - (iv) otherwise acquires or merges with SXG;
- (c) **(SXG material breach)** Mawson is entitled to terminate this Agreement in accordance with clause 16.1(m) (material breach) and has given the appropriate notice and such notice has become effective;
- (d) **(Breach of certain Conditions)** there is a breach or non-fulfilment of the Condition in clause 2.1(j) (Prescribed Event) or 2.1(n) (Representations and Warranties), and Mawson has terminated this Agreement in accordance with clause 16.1; or
- (e) **(Termination for Superior Proposal)** a party has terminated this Agreement pursuant to clause 16.1(d).

15.3 Written demand by Mawson

SXG must pay the SXG Reimbursement Fee to Mawson within 10 Business Days after receiving a written demand from Mawson. The demand for payment of the SXG Reimbursement Fee can only be made after the occurrence of an event referred to in clause 15.2. SXG is only liable to pay the SXG Reimbursement Fee once.

15.4 Payment of the Mawson Reimbursement Fee

Subject to clause 15.7, Mawson must pay the Mawson Reimbursement Fee to SXG, without set-off or withholding, if:

- (a) **(change of Board recommendation)** prior to the earlier of the Effective Date or the End Date, any Mawson Director withdraws or adversely modifies their support of the Mawson Resolutions or their recommendation that Mawson Shareholders vote in favour of the Mawson Resolutions, or makes a public statement indicating that they no longer support the Transaction or that they support a Mawson Competing Proposal, other than as a result of:
 - (i) any matter or thing giving Mawson the right to terminate under clause 16.1(n) (material breach); or
 - (ii) failure of a Condition which is for the benefit of Mawson or both parties, other than as a result of a breach by Mawson of clause 2.3 and provided that the parties have complied with clause 2.5;
- (b) **(Competing Proposal completes)** during the Exclusivity Period, a Third Party makes or announces a Mawson Competing Proposal and within 12 months after it is made or announced that Mawson Competing Proposal is completed or the Third Party announcing or making the Mawson Competing Proposal:
 - (i) directly or indirectly acquires a relevant interest or an economic interest in 20% or more of Mawson Shares or the share capital of any of Mawson's Subsidiaries;
 - (ii) directly or indirectly acquires control (as defined in section 50AA of the Corporations Act) of Mawson or any of its Subsidiaries;
 - (iii) directly or indirectly acquires or becomes the holder of any interest in all or a substantial part of the business or assets of Mawson or any of its Subsidiaries; or
 - (iv) otherwise acquires or merges with Mawson;
- (c) **(Mawson material breach)** SXG is entitled to terminate this Agreement in accordance with clause 16.1(m) (material breach) and has given the appropriate notice and such notice has become effective;
- (d) **(Breach of certain Conditions)** there is a breach or non-fulfilment of the Condition in clause 2.1(k) (Prescribed Event) or 2.1(o) (Representations and Warranties), and SXG has terminated this Agreement in accordance with clause 16.1; or
- (e) **(Termination for Superior Proposal)** a party has terminated this Agreement pursuant to clause 16.1(e).

15.5 Written demand by SXG

Mawson must pay the Mawson Reimbursement Fee to SXG within 10 Business Days after receiving a written demand from SXG. The demand for payment of the Mawson

Reimbursement Fee can only be made after the occurrence of an event referred to in clause 15.4. Mawson is only liable to pay the Mawson Reimbursement Fee once.

15.6 Nature of payment

The amount payable by SXG or Mawson under clause 15.2 or 15.4 (respectively) is an amount to compensate the other party for:

- (a) advisory costs (including costs of advisors other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by the other party in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which that party could have developed to further its business and objectives.

15.7 Compliance with law

- (a) No amount is payable under clause 15.2 or 15.4 if the Scheme become Effective, notwithstanding the occurrence of any event in clause 15.2 or 15.4. To the extent that any amount has already been paid under clause 15.2 or 15.4 and the Scheme becomes Effective, such amount must be immediately refunded to the paying party.
- (b) This clause 15 does not impose an obligation on a party to pay a Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the fee:
 - (i) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (ii) is held to be unenforceable by one party against another as determined by a court,after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted. The parties must take all reasonable steps to ensure that any such determination applies to the minimum extent possible.
- (c) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 15.7(b).

15.8 Other claims reduced

Where a SXG Reimbursement Fee or Mawson Reimbursement Fee is actually paid, the amount of any loss or damage caused in relation to any breach by SXG or Mawson (respectively) will be reduced by the amount of the Reimbursement Fee so paid.

16. Termination

16.1 When a party may terminate

A party specified below may terminate this Agreement by giving a notice in writing to the other party stating that it terminates this Agreement and the provision under which it is terminating if at any time before 8:00am on the Second Court Date:

- (a) **(before Relevant Date if Condition cannot be satisfied)** subject to clause 2.5 by either party, if, before the Relevant Date, a Condition solely or jointly for its benefit

cannot be satisfied and is not waived by the time required in this Agreement for it to be satisfied or waived;

- (b) **(after Relevant Date if Condition has not been satisfied)** subject to clause 2.5 by either party, if, after the Relevant Date applicable to a Condition solely or jointly for its benefit, that Condition has not been satisfied or waived at that time;
- (c) **(after End Date)** subject to clause 2.5, by either party, if the Effective Date has not occurred by the End Date;
- (d) **(SXG Superior Proposal)** by SXG or Mawson if:
 - (i) a SXG Competing Proposal is received; and
 - (ii) the SXG Board publicly announces that it has determined that that SXG Competing Proposal is a SXG Superior Proposal,

provided that SXG may only terminate in reliance on this event if there has not been a material breach of exclusivity obligations under clause 13 by SXG and SXG pays the SXG Reimbursement Fee to Mawson in accordance with clause 15.2(a);

- (e) **(Mawson Superior Proposal)** by SXG or Mawson if:
 - (i) a Mawson Competing Proposal is received; and
 - (ii) the Mawson Board publicly announces that it has determined that that Mawson Competing Proposal is a Mawson Superior Proposal,

provided that Mawson may only terminate in reliance on this event if there has not been a material breach of exclusivity obligations under clause 14 by Mawson and Mawson pays the Mawson Reimbursement Fee to SXG in accordance with clause 15.4(a);

- (f) **(Recommendation – SXG Board)** by Mawson if a majority of the Independent SXG Directors:
 - (i) publicly withdraw, fail to make or adversely change their recommendation or voting intention (other than as required or permitted by clause 6.10(c)) or publicly recommend, support or endorse a SXG Competing Proposal, for any reason; or
 - (ii) make a public statement:
 - (A) to the effect that they no longer recommend the Transaction or support the Scheme; or
 - (B) supporting, endorsing or recommending a SXG Competing Proposal;
- (g) **(Recommendation – Mawson Board)** by SXG if a majority of the Mawson Directors:
 - (i) publicly withdraw, fail to make or adversely change their recommendation or voting intention or publicly recommend, support or endorse a Mawson Competing Proposal, for any reason; or
 - (ii) make a public statement:
 - (A) to the effect that they no longer recommend the Transaction or support the Scheme; or

- (B) supporting, endorsing or recommending a Mawson Competing Proposal;
- (h) **(SXG Material Adverse Change)** by Mawson if a SXG Material Adverse occurs prior to 8.00am on the Second Court Date;
- (i) **(SXG Prescribed Event)** by Mawson if a SXG Prescribed Event occurs prior to 8.00am on the Second Court Date;
- (j) **(Mawson Material Adverse Change)** by SXG if a Mawson Material Adverse occurs prior to 8.00am on the Second Court Date;
- (k) **(Mawson Prescribed Event)** by SXG if a Mawson Prescribed Event occurs prior to 8.00am on the Second Court Date;
- (l) **(SXG Competing Proposal)** by Mawson if a SXG Competing Proposal is announced, made, or becomes open for acceptance and prior to 8.00am on the Second Court Date any of the circumstances in clauses 15.2(b)(i) to 15.2(b)(iv) (both inclusive) occurs;
- (m) **(Mawson Competing Proposal)** by SXG if a Mawson Competing Proposal is announced, made, or becomes open for acceptance and prior to 8.00am on the Second Court Date any of the circumstances in clauses 15.4(b)(i) to 15.4(b)(iv) (both inclusive) occurs;
- (n) **(material breach):**
 - (i) by Mawson – if SXG is in breach of this Agreement (including a breach of a SXG Representation and Warranty) and that breach is material and is not remedied by SXG within 10 Business Days (or such shorter period ending on the Second Court Date) of SXG receiving notice from Mawson of the details of the breach and its intention to terminate; and
 - (ii) by SXG – if Mawson is in breach of this Agreement (including a Mawson Representation and Warranty) and that breach is material and is not remedied by Mawson within 10 Business Days (or such shorter period ending on the Second Court Date) of Mawson receiving notice from SXG of the details of the breach and its intention to terminate,

by giving notice in writing to the other party provided that neither party will be entitled to terminate this Agreement for a breach of a representation or warranty to the extent that the facts, matters and circumstances giving rise to the breach:

- (i) are disclosed in this Agreement;
- (ii) have been fully and fairly disclosed by SXG in announcements to ASX or by Mawson in announcements to TSXV (as applicable) prior to the date of this Agreement; or
- (iii) have been fully and fairly disclosed to the other party in writing prior to the date of this Agreement.

16.2 Termination by agreement

This Agreement is terminable if agreed to in writing by Mawson and SXG.

16.3 Effect of termination

If this Agreement is terminated by a party under this clause 16:

- (a) each party will be released from its obligations under this agreement, except its obligations under clauses 10, 12, 15, 17, 18, and 19, which will remain in force after termination;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and

in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, any further obligations in respect of the Scheme.

17. Duty, Costs and Expenses

17.1 Stamp duty

Mawson must pay all stamp duties and any fines and penalties with respect to stamp duty (if any) in respect of this Agreement, the Scheme or the steps to be taken under this Agreement or the Scheme and indemnifies SXG against any liability arising from its failure to comply with this clause 17.1.

17.2 Costs and expenses

Except as otherwise provided in this Agreement, each party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and performance of this Agreement.

18. GST

- (a) Any consideration or amount payable under this Agreement, including any non-monetary consideration (as reduced in accordance with clause 18(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this Agreement, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST laws.
- (c) The Additional Amount payable under clause 18(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 18(b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the

Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

- (e) Despite any other provision in this Agreement if an amount payable under or in connection with this Agreement (whether by way of reimbursement or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (Amount Incurred), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this Agreement has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

19. General

19.1 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

19.2 Consents

Any consent referred to in, or required under, this Agreement from any party may not be unreasonably withheld, unless this Agreement expressly provides for that consent to be given in that party's absolute discretion.

19.3 Notices

- (a) Any notice or other communication including, but not limited to, any request, demand, consent or approval, to or by a party under this Agreement:

- (i) must be in legible writing and in English;
- (ii) if the recipient is SXG, addressed in accordance with the following details or as specified to the sender by SXG by notice:

Address: **Southern Cross Gold Limited**

Level 21, 459 Collins Street, Melbourne, Victoria, 3000

Attention: Justin Mouchacca – Company Secretary

Email: jm@southerncrossgold.com.au

With a copy to be sent to:

Address: Hamilton Locke

Level 42, Australia Square, 264 George Street, Sydney NSW
2000

Attention: Guy Sanderson

Email: guy.sanderson@hamiltonlocke.com.au

if the recipient is Mawson, addressed in accordance with the following details
or as specified to the sender by Mawson by notice:

Address: **Mawson Gold Limited**

1305 - 1090 West Georgia Street. Vancouver, BC, Canada,
V6E 3V7

Attention: Nick De Mare

Email: ndemare@chasemgt.com

With a copy to be sent to:

Address: Hogan Lovells

Level 17, 20 Martin Place, Sydney NSW 2000

Attention: David Holland

Email: david.holland@hoganlovells.com

(iii) any such notice or communication is regarded as being given by the sender
and received by the addressee:

- (A) in the case of personal delivery, on the actual day of delivery;
- (B) if sent by mail, 5 Business Days from and including the day of
posting; or
- (C) if sent by e-mail, when the party sending the email receives
notification that the e-mail was successfully transmitted to the
receiving party, or if no such notification is received, 24 hours after
the email was sent (unless the sender receives a delivery failure
notification indicating that the e-mail was not successfully
transmitted),

but if the receipt is on a day which is not a Business Day or is after 5.00 pm
(addressee's time) it is regarded as received at 9.00 am on the following
Business Day.

- (b) Any such notice or other communication can be relied upon by the addressee and the
addressee is not liable to any other person for any consequences of that reliance if
the addressee believes it to be genuine, correct and authorised by the sender.
- (c) This clause 19.3 does not apply to the service of any proceedings or other documents
in any legal action or, where applicable, any arbitration or other method of dispute
resolution.

19.4 Governing law and jurisdiction

- (a) This Agreement is governed by the laws of Victoria, Australia.

- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria and courts competent to hear appeals from those courts.

19.5 Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Agreement.
- (b) Any waiver or consent given by any party under this Agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.

19.6 Variation

This Agreement may only be varied by document signed by or on behalf of each of the parties.

19.7 Assignment

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this Agreement without the prior written consent of the other party.

19.8 Severability

Any provision in this Agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

19.9 No third party beneficiary

This Agreement is binding on and solely to the benefit of each party to it and each of their respective permitted successors and assigns. Nothing in this Agreement is intended to confer on any other person any third party beneficiary rights except as specifically stated.

19.10 Further action

Each party will do all things and execute all further documents necessary to give full effect to this Agreement.

19.11 Entire agreement

To the extent permitted by law, in relation to its subject matter this Agreement:

- (a) embodies the entire understanding of the parties, and constitutes the entire terms agreed by the parties; and
- (b) supersedes any prior written or other agreement of the parties, other than those terms of the Confidentiality Agreement.

To the extent that there is any inconsistency between this Agreement and the Confidentiality Agreement, this Agreement prevails.

19.12 Counterparts

- (a) This Agreement may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Agreement by signing any counterpart.

Schedule 1 – Indicative Timetable

Event	Date
Announce Transaction	31 July 2024
SXG submits draft Scheme Booklet to ASIC and ASX	15 August 2024
First Court hearing	29 August 2024
Scheme Booklet sent to Scheme Shareholders	5 September 2024
Mawson mails materials to Mawson Shareholders	5 September 2024
Mawson Shareholder meeting	3 October 2024
Scheme Meeting	3 October 2024
Second Court hearing to approve Scheme	7 October 2024
Effective Date	7 October 2024
Record Date	9 October 2024
Implementation Date	16 October 2024

Schedule 2 – Mawson Representations and Warranties

Mawson represents and warrants to SXG that:

1. **Validly existing:** Mawson is a company validly existing under the laws of its place of incorporation. Each Mawson Group Member is a company validly existing under the laws of its place of incorporation.
2. **Authority:** The execution and delivery of this Agreement has been properly authorised by all necessary corporate action of Mawson.
3. **Power:** Mawson has full corporate power and lawful authority to execute, deliver and perform this Agreement in accordance with its terms.
4. **Agreement binding:** This Agreement is a valid and binding obligation on Mawson enforceable in accordance with its terms, subject to laws generally affecting creditors' rights and principles of equity.
5. **No default:** This Agreement does not conflict with or result in the breach of or a default under:
 - (a) Mawson's constating documents; or
 - (b) any writ, order or injunction, judgement, law, rule or regulation to which Mawson is party or by which it is bound.
6. **No approvals:** no shareholder or Regulatory Approvals are required to be obtained by the Mawson Group in order for Mawson to execute and consummate the Transaction, other than as contemplated by this Agreement.
7. **Capital structure:** Its authorized structure including all issued securities as at the date of this Agreement is as set out in item 1.1 of Schedule 4 and it has not issued or agreed to issue any other securities, options, warrants, rights or instruments which are still outstanding and may convert into Mawson Shares other than as set out in item 1.2 of Schedule 4.
8. **Continuous disclosure:** Mawson has complied in all material respects with its continuous disclosure obligations under applicable laws and the policies of the TSXV.
9. **Financial matters:**
 - (a) The Mawson Financial Statements were prepared in accordance with applicable accounting principles, consistently applied, and fairly present in all material respects the consolidated financial condition of Mawson at the respective dates indicated and the results of operations of Mawson for the periods covered on a consolidated basis.
 - (b) No member of the Mawson Group has any liability (including, without limitation, liabilities to fund any operations or work or exploration program, to give any guarantees or for taxes other than taxes not yet due), whether accrued, absolute, contingent or otherwise, not reflected in the Mawson Financial Statements, except liabilities incurred in the ordinary course of business since 31 May 2023, which liabilities would not reasonably be expected to result in a Mawson Material Adverse Change.
10. **Mawson information:**
 - (a) To the best of the Mawson Directors' knowledge, the Mawson Information provided to SXG or its Representatives by Mawson or its Representatives does not, as of the date of the relevant document, contain an untrue statement of a material fact or omit to state a material fact required to be stated to prevent the statement made from being false or misleading in the circumstances in which it was made.

- (b) Mawson has not knowingly withheld from SXG any information that has been requested to be disclosed by SXG.
11. **Restrictions on business activities:** To the best of the Mawson Directors' knowledge, there is no agreement, judgment, injunction, order or decree binding on Mawson or any member of the Mawson Group or any business in which the Mawson Group has an interest that has or would be likely to have the effect of prohibiting, restricting or materially impairing after the Effective Date any business of Mawson or any member of the Mawson Group or any business in which the Mawson Group has an interest.
12. **Approvals:** To the best of the Mawson Directors' knowledge, the members of the Mawson Group have complied in all material respects with all Government Agencies having jurisdiction over them and have all material licences, environmental approvals, permits and other consents necessary for them to conduct their operations as presently being conducted.
13. **Compliance with laws:** To the best of the Mawson Directors' knowledge, the members of the Mawson Group have complied in all material respects with the requirements imposed by any applicable laws and regulations.
14. **Litigation:** To the best of the Mawson Directors' knowledge:
- (a) there are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against any material member of the Mawson Group or any business in which the Mawson Group has an interest;
 - (b) no material member of the Mawson Group or any business in which the Mawson Group has an interest is the subject of any material pending or material threatened investigation; and
 - (c) no material member of the Mawson Group or any business in which the Mawson Group has an interest nor the respective assets, properties or business of Mawson or any material member of the Mawson Group is subject to any judgement, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal.
15. **Solvency:** Neither Mawson nor any other material member of the Mawson Group nor any business in which the Mawson Group has an interest is affected by a Mawson Insolvency Event.
16. **Scheme Booklet:** The Mawson Information in the form consented by Mawson provided for inclusion in the Scheme Booklet will:
- (a) be prepared and provided in good faith and on the understanding that each of SXG and the SXG Directors will rely on that information to prepare the Scheme Booklet; and
 - (b) not, at the date of the Scheme Booklet, contain any statement which is materially misleading or deceptive including by way of omission.
17. **Independent Expert:** All information provided by or on behalf of Mawson to the Independent Expert to enable their respective reports to be prepared will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing its report for inclusion in the Scheme Booklet.
18. **New Mawson Shares:** The New Mawson Shares to be issued in accordance with the Transaction will be duly authorised and validly issued as fully paid and non-assessable shares and free of all security interests and third party rights and will rank equally with all other Mawson Shares then on issue.

19. **Anti-bribery** no Mawson Group Member or, to the knowledge of Mawson, any director, officer or employee of the Mawson Group, or to the knowledge of Mawson, any other person acting on behalf of any member of the Mawson Group, has:

- (a) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
- (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or
- (c) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment,

and in each case, in violation of any applicable domestic or foreign anti-bribery laws in Canada or any other jurisdiction which is applicable to the Mawson Group.

20. **Money laundering laws** the operations of the Mawson Group are and have been conducted at all times in compliance with all applicable money laundering legislation of Canada or any other jurisdiction which is applicable to the Mawson Group, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Regulatory Authority in those jurisdictions.

Schedule 3 – SXG Representations and Warranties

SXG represents and warrants to Mawson that:

1. **Validly existing:** SXG is a validly existing corporation registered under the laws of Australia. Each SXG Group Member is a validly existing corporation under the laws of the country in which it was incorporated.
2. **Authority:** The execution and delivery of this Agreement has been properly authorised by all necessary corporate action of SXG.
3. **Power:** SXG has full corporate power and lawful authority to execute, deliver and perform this Agreement in accordance with its terms.
4. **Agreement binding:** This Agreement is a valid and binding obligation on SXG enforceable in accordance with its terms, subject to laws generally affecting creditors' rights and principles of equity.
5. **No default:** This Agreement does not conflict with or result in the breach of or a default under:
 - (a) SXG's constitution; or
 - (b) any writ, order or injunction, judgement, law, rule or regulation to which it is party or by which it is bound.
6. **No approvals:** no shareholder or Regulatory Approvals are required to be obtained by the SXG Group in order for SXG to execute and consummate the Transaction, other than as contemplated by this Agreement;
7. **Capital structure:** Its capital structure including all issued securities as at the date of this Agreement is as set out in item 2.1 of Schedule 4 and it has not issued or agreed to issue any other securities, options, warrants, rights or instruments which are still outstanding and may convert into SXG Shares other than as set out in item 2.2 of Schedule 4.
8. **Continuous disclosure:** SXG:
 - (a) has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1; and
 - (b) other than for this Transaction, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure.
9. **Financial matters:**
 - (a) The SXG Financial Statements were prepared in accordance with applicable accounting principles, consistently applied, and fairly present in all material respects the consolidated financial condition of SXG at the respective dates indicated and the results of operations of SXG for the periods covered on a consolidated basis.
 - (b) No member of the SXG Group has any liability (including, without limitation, liabilities to fund any operations or work or exploration program, to give any guarantees or for taxes other than taxes not yet due), whether accrued, absolute, contingent or otherwise, not reflected in the SXG Financial Statements, except liabilities incurred in the ordinary course of business since 31 May 2023, which liabilities would not reasonably be expected to result in a SXG Material Adverse Change.
10. **Restrictions on business activities:** To the best of the SXG Directors' knowledge, there is no agreement, judgment, injunction, order or decree binding on SXG or any member of the SXG Group or any business in which the SXG Group has an interest that has or would be

likely to have the effect of prohibiting, restricting or materially impairing after the Effective Date any business of SXG or any member of the SXG Group or any business in which the SXG Group has an interest.

11. **Approvals:** To the best of the SXG Director's knowledge, the members of the SXG Group have complied in all material respects with all Government Agencies having jurisdiction over them and have all material licences, environmental approvals, permits and other consents necessary for them to conduct their respective operations as presently being conducted.
12. **Compliance with laws:** To the best of the SXG Directors' knowledge, the members of the SXG Group have complied in all material respects with the requirements imposed by any applicable laws and regulations.
13. **Litigation:** To the best of the SXG Directors' knowledge:
 - (a) There are no material actions, suits, arbitrations, legal or administrative proceedings pending or threatened against any material member of the SXG Group or any business in which the SXG Group has an interest.
 - (b) No material member of the SXG Group or any business in which the SXG Group has an interest is the subject of any material pending or material threatened investigation.
 - (c) No material member of the SXG Group or any business in which the SXG Group has an interest nor the respective assets, properties or businesses of SXG or any material member of the SXG Group is subject to any judgement, order, writ, injunction or decree of any court, Government Agency or arbitration tribunal.
14. **Solvency:** Neither SXG nor any other material member of the SXG Group nor any business in which the SXG Group has an interest is affected by a SXG Insolvency Event.
15. **Scheme Booklet:** The SXG Information in the Scheme Booklet will:
 - (a) be prepared in good faith and not, at the date of the Scheme Booklet, contain any statement which is materially misleading or deceptive, including by way of omission; and
 - (b) comply with all applicable laws and ASIC Regulatory Guides applicable to schemes of arrangement.
16. **Tenements:** all SXG Group Tenements:
 - (a) are held either directly or indirectly by the SXG Group, and the SXG Group is the legal and beneficial owner of those tenements;
 - (b) are in good standing and not liable to forfeiture, and to the best of the SXG Directors' knowledge there is no presently existing or potential matter which is likely to prejudice the renewal of those tenements;
 - (c) are not the subject of litigation or other proceeding pending or, to the best of the SXG Directors' knowledge, threatened against those tenements; and
 - (d) the Transaction does not result in the tenements becoming subject to forfeiture, suspension or cancellation or other adverse action or conditions being imposed on the tenements.
17. **Anti-bribery** no SXG Group Member or, to the knowledge of SXG, any director, officer or employee of the SXG Group, or to the knowledge of SXG, any other person acting on behalf of any member of the SXG Group, has:

- (a) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
- (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or
- (c) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment,

and in each case, in violation of any applicable domestic or foreign anti-bribery laws in Australia or any other jurisdiction which is applicable to the SXG Group.

18. **Money laundering laws** the operations of the SXG Group are and have been conducted at all times in compliance with all applicable money laundering legislation of Australia or any other jurisdiction which is applicable to the SXG Group, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Regulatory Authority in those jurisdictions.

Schedule 4 – Capital structure details

1. Mawson shares and other securities

1.1 Currently on issue

Security	Total number on issue
Mawson Shares	305,238,320
Options (price: \$0.24)	3,500,000

1.2 Agreed to be issued: Nil

2. SXG shares and other securities

2.1 Currently on issue

Security	Total on issue
SXG Shares	197,746,604
SXG Options	
• SXGAJ : OPTION EXPIRING 28-NOV-2025 EX \$0.87	1,205,000
• SXGAB : OPTION EXPIRING 16-MAY-2025 EX \$0.30	2,564,667
• SXGAF : OPTION EXPIRING 05-MAY-2025 EX \$0.30	1,350,000
• SXGAG : OPTION EXPIRING 05-MAY-2026 EX \$0.30	2,783,333
• SXGAH : OPTION EXPIRING 05-MAY-2027 EX \$0.30	2,783,333
• SXGAK : OPTION EXPIRING 15-AUG-2026 EX \$0.66	1,250,000
• SXGAR : OPTION EXPIRING 07-NOV-2026 EX \$1.20	3,550,000
• SXGAL : OPTION EXPIRING 23-OCT-2026 EX \$1.20	1,500,000
SXG Performance Rights	280,000

2.2 Agreed to be issued: Nil

Executed as an agreement

Executed by)
Southern Cross Gold Limited)
(ACN 652 166 795) pursuant to section 127)
of the *Corporations Act 2001* (Cth):)

“Signature”

Signature of Director

Tom Eadie

Name of Director (print)

“Signature”

Signature of Secretary

Justin Mouchacca

Name of Secretary (print)

Executed by)
Mawson Gold Limited)
pursuant to its constituent documents and)
laws of its place of incorporation:)

“Signature”

Signature of Director / Officer

Bruce Griffin, Director

Name of Director / Officer (print)