



Southern Cross Gold Limited ACN 652 166 795

# Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition by Mawson Gold Limited of the ordinary shares in Southern Cross Gold Limited not already owned by Mawson Gold Limited.

## **VOTE IN FAVOUR**

The Independent Southern Cross Gold Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.

This is an important document and requires your urgent attention. If you are in any doubt as to how to deal with this Scheme Booklet, please consult your legal, financial, taxation or other professional adviser. If you have any general questions relating to the Scheme or your shareholding in SXG, please call the SXG Shareholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8:30am and 5.00pm (Melbourne time).

Please disregard this Scheme Booklet if you have recently sold all your SXG Shares or no longer hold any SXG Shares.

Legal adviser to Southern Cross Gold

**Hamilton  
Locke** 

# Important Notices

## NATURE OF THIS BOOKLET

This Scheme Booklet is important. SXG Shareholders should carefully read this Scheme Booklet in its entirety before making a decision on how to vote on the Scheme.

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (if all of the conditions to the Scheme are satisfied or (if permitted) waived) and to provide such information as is prescribed or otherwise material for SXG Shareholders when deciding how to vote on the Scheme. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme.

This Scheme Booklet is not a disclosure document required by Chapter 6D or Part 7.9 of the Corporations Act. Section 708(17) of the Corporations Act provides that an offer of securities does not require disclosure to investors if it is made under a compromise or arrangement under Part 5.1 of the Corporations Act and approved at a meeting held as a result of an order under section 411(1) or (1A) of the Corporations Act.

If you have sold all your SXG Shares, please disregard this Scheme Booklet.

## RESPONSIBILITY FOR INFORMATION

SXG has been solely responsible for preparing the SXG Information. The information concerning SXG and the intentions, views and opinions of SXG and the SXG Directors contained in this Scheme Booklet has been prepared by SXG and is the responsibility of SXG. None of Mawson, its Related Bodies Corporate, or their respective directors, officers, employees or advisers have verified any of the SXG Information, and none of them assume any responsibility for the accuracy or completeness of any of the SXG Information.

Mawson has been solely responsible for preparing the Mawson Information. The information concerning Mawson and the intentions, views and opinions of Mawson contained in this Scheme Booklet, has been prepared by Mawson and is the responsibility of Mawson. None of SXG, its Related Bodies Corporate, or their respective directors, officers, employees or advisers have verified any of the Mawson Information, and none of them assume any responsibility for the accuracy or completeness of any of the Mawson Information.

The Independent Expert, Grant Thornton Australia, has prepared the Independent Expert's Report and takes responsibility for that report. None of SXG, Mawson or their respective Related Bodies Corporate, or any of their respective directors, officers, employees or advisers takes any responsibility for the Independent Expert's Report. The Independent Expert's Report is set out in Annexure A.

The Investigating Accountant, William Buck, has prepared the Investigating Accountant's Report and takes responsibility for that report. None of SXG, Mawson or their respective Related Bodies Corporate, or any of their respective directors, officers, employees or advisers takes any responsibility for the Investigating Accountant's Report. The Investigating Accountant's Report is contained in Annexure B.

SXG's Australian tax adviser, Hamilton Locke, has prepared section 11 of this Scheme Booklet (Australian taxation implications) and takes responsibility for that section. None of SXG, Mawson, or their respective Related Bodies Corporate, or

any of their respective directors, officers, employees and advisers take any responsibility for that section.

## REGULATORY INFORMATION AND ROLE OF ASIC AND ASX

This document includes the explanatory statement for the Scheme between SXG and the Scheme Participants for the purposes of section 412(1) of the Corporations Act. A copy of the Scheme is included in this Scheme Booklet as Annexure C.

A draft of this Scheme Booklet has been provided to ASIC in accordance with section 411(2) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to SXG Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Date. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire process of the Scheme.

If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

The fact that ASX may admit the entity to its official list is not to be taken in any way as an indication of the merits of the entity.

## FORWARD LOOKING STATEMENTS

This Scheme Booklet contains both historical and forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements.

All forward looking statements in this Scheme Booklet reflect views only as at the date of this Scheme Booklet, and generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe SXG, Mawson or the Combined Group's objectives, plans, goals or expectations are or may be forward looking statements. The statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of SXG and/or Mawson's operations and the advantages and disadvantages anticipated to result from the Scheme are also forward-looking statements.

SXG Shareholders should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of SXG, Mawson or the Combined Group to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements or that could cause the future conduct, results, performance or achievements to be materially different from historical conduct, results, performance or achievements. These risks, uncertainties, assumptions and other important factors include, among other things, the risks set out in section 10 of this Scheme Booklet.

None of SXG, Mawson, or any of their respective Related Bodies Corporate, directors, officers, employees or advisers, or any person named in this Scheme Booklet with their consent, or otherwise involved in the preparation of this Scheme Booklet, give any representation, assurance or guarantee that the

occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur.

SXG Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only as at the date of this Scheme Booklet. Subject to any continuing obligations under applicable law or the Listing Rules, SXG, Mawson and their respective directors, officers, employees and advisers disclaim any obligation to update any forward looking statements after the date of this Scheme Booklet, to reflect any change in expectations in relation to those statements or change in events, conditions or circumstances on which a statement is based.

### NOT INVESTMENT ADVICE

The information contained in this Scheme Booklet does not take into account the investment objectives, financial situation or particular needs of any individual SXG Shareholder or any other person. Before making any investment decision in relation to the Scheme, you should consider, with or without the assistance of an independent securities or other adviser, whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances. No cooling-off period applies to the acquisition of Mawson Shares under the Scheme.

### PAST PERFORMANCE

You should note that past performance metrics and figures (including any data about past share price of SXG and Mawson) in this Scheme Booklet are given for illustrative purposes only and cannot be relied upon as an indicator of (and provide no guidance as to) future performance, including future share price of the Combined Group. Any such historical information is not represented as being, and is not, indicative of SXG and Mawson's view on their future financial condition and/or performance, nor the future financial condition or performance of the Combined Group.

### NOT AN OFFER

This Scheme Booklet does not constitute or contain an offer to SXG Shareholders, or a solicitation of an offer from SXG Shareholders, in any jurisdiction.

### FOREIGN JURISDICTIONS

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. SXG disclaims all liabilities to such persons.

SXG Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of jurisdictions other than Australia. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

If you are an Ineligible Overseas Shareholder, you will not be entitled to receive Mawson CDIs nor New Mawson Shares. Mawson CDIs or New Mawson Shares that would otherwise be issued to you under the Scheme will be issued to a nominee of

Mawson to be sold on ASX or TSXV, with the sale proceeds, after deducting applicable costs and charges, to be paid to you.

Based on the information available, SXG shareholders whose addresses are shown in the register on the Record Date as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have Mawson CDIs, New Mawson Shares, New Mawson Options or New Mawson Restricted Stock Units issued to them under the Scheme subject to any qualifications set out in section 12.18:

- New Zealand;
- Canada;
- Hong Kong;
- Switzerland;
- European Union (Germany and Luxembourg)
- Liechtenstein;
- Singapore;
- United Kingdom; and
- United States.

### IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how SXG Shareholders should vote (on this matter, SXG Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

### NOTICE OF SCHEME MEETING

The Notice of Scheme Meeting is set out in Annexure E.

### NOTICE OF SECOND COURT HEARING

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any SXG Shareholder may appear at the Second Court Hearing, which is expected to be held on Monday 16 December 2024 at the Supreme Court of NSW.

Any SXG Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on SXG a notice of appearance in the prescribed form together with any affidavit that the SXG Shareholder proposes to rely on.

The notice of appearance and affidavit must be served on SXG at its address for service at least three days before the Second Court Hearing. The postal address for service is C/- JM Corporate Services, Level 21 459 Collins Street Melbourne VIC 3000.

## IMPLIED VALUE

Scheme Participants (other than Ineligible Overseas Shareholders) will receive their Scheme Consideration as Mawson CDIs, or if they elect, as New Mawson Shares. Any reference to the implied value of the Scheme Consideration should not be taken as an indication that the implied value is fixed. The implied value of the Scheme Consideration will vary with the market price of Mawson CDIs and New Mawson Shares.

If you are an Ineligible Overseas Shareholder, this also applies to the Mawson CDIs or New Mawson Shares which will be issued to a nominee of Mawson and sold on ASX or TSXV by the nominee. The amount of cash remitted to you from the net sale proceeds will depend on the market price of Mawson CDIs or New Mawson Shares at the time of sale by Mawson's nominee.

## TAX IMPLICATIONS OF THE SCHEME

If the Scheme becomes Effective and is implemented, there will be tax consequences for Scheme Participants which may include tax being payable on any gain on disposal of SXG Shares unless potentially capital gains tax roll-over relief applies.

For further detail about the general Australian tax consequences of the Scheme, refer to section 11 of this Scheme Booklet. The tax treatment may vary depending on the nature and characteristics of each SXG Shareholder and their specific circumstances. Accordingly, SXG Shareholders should seek professional tax advice in relation to their particular circumstances.

## PRIVACY

SXG and Mawson may need to collect personal information in connection with the Scheme.

The personal information may include the names, contact details and details of holdings of SXG Shareholders, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist SXG and Mawson to conduct the Scheme Meeting and implement the Scheme.

The information may be disclosed to SXG, Mawson, and their respective Related Bodies Corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to promote and effect the Scheme.

SXG Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. SXG Shareholders may contact the Share Registry if they wish to exercise these rights.

If the information outlined above is not collected, SXG and Mawson may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme. SXG Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

## RIGHT TO INSPECT SHARE REGISTER

SXG Shareholders have the right to inspect the Share Register which contains the name and address of each SXG Shareholder and certain other prescribed details relating to SXG Shareholders, without charge.

SXG Shareholders also have the right to request a copy of the Share Register upon payment of a fee (if any) up to a prescribed amount.

SXG Shareholders have these rights by virtue of section 173 of the Corporations Act.

## EXTERNAL WEBSITES

Unless expressly stated otherwise, the content of SXG's website and Mawson's website does not form part of this Scheme Booklet and SXG Shareholders should not rely on any such content.

## DEFINED TERMS

Capitalised terms used in this Scheme Booklet (other than in the Annexures which accompany this Scheme Booklet) are defined in the Glossary in section 13 of this Scheme Booklet or otherwise in the sections in which they are used.

Section 13 of this Scheme Booklet also sets out rules of interpretation which apply to this Scheme Booklet.

## FINANCIAL AMOUNTS

All financial amounts in this Scheme Booklet are expressed in Australian currency, unless otherwise stated.

## CHARTS AND DIAGRAMS

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available at the date of this document.

## ROUNDING

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Scheme Booklet. Any discrepancies between totals in tables or financial information, or in calculations, graphs or charts are due to rounding.

## TIME

A reference to time in this Scheme Booklet is to Melbourne, Australia time, unless otherwise indicated.

## DATE OF THIS SCHEME BOOKLET

This Scheme Booklet is dated 12 November 2024.

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# Key dates and times

Event	Date
Date of this Scheme Booklet	Tuesday 12 November 2024
First Court Hearing at which the Court made orders convening the Scheme Meeting	Tuesday 12 November 2024
Deadline for receipt by the Share Registry of Proxy Forms, powers of attorney or appointments of corporate representatives for the Scheme Meeting ( <b>Proxy Cut-Off Date</b> )	11.00 am on Wednesday 11 December 2024
Time and date for determining eligibility to vote at the Scheme Meeting ( <b>Voting Entitlement Time</b> )	7.00 pm on Wednesday 11 December 2024
Scheme Meeting	11.00 am on Friday 13 December 2024
Second Court Hearing for approval of the Scheme	2.00 pm Monday 16 December 2024
<b>Effective Date</b> <ul style="list-style-type: none"> <li>The date on which the Scheme becomes Effective</li> <li>Lodgement by SXG with ASIC of the Court orders approving the Scheme and lodgement of announcement to ASX</li> <li>Last day of trading in SXG Shares on the ASX</li> <li>Suspension of SXG Shares from trading on the ASX from close of trading</li> </ul>	Monday 16 December 2024
<b>Election Date</b> The latest time and date by which Share Election Forms must be received by the Share Registry from SXG Shareholders who wish to elect receive New Mawson Shares (rather than receive Mawson CDIs by default), or withdraw a previous election made.	5.00 pm on Monday 16 December 2024
Mawson CDIs commence trading on the ASX on a deferred settlement basis	Tuesday 17 December 2024
Scheme Record Date: Time and date for determining entitlements to the Scheme Consideration	7.00 pm on Wednesday 18 December 2024
<b>Implementation date</b> Provision of the Scheme Consideration to Scheme Participants	Friday 27 December 2024
Mawson CDIs commence trading on the ASX on a normal settlement basis	Monday 30 December 2024
Holding statements and allotment advices for Mawson CDIs dispatched	Tuesday 31 December 2024
Direct Registration System statements for New Mawson Shares dispatched	Thursday 2 January 2025
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 <a href="http://www.asx.com.au">www.asx.com.au</a> and notified on SXG's website at <a href="https://www.southerncrossgold.com.au/">https://www.southerncrossgold.com.au/</a> .	

# What you should do

## STEP 1: READ THIS SCHEME BOOKLET

This is an important document and requires your immediate attention. It contains information that is material to SXG Shareholders in making a decision on whether or not to vote in favour of the Scheme.

You should read this Scheme Booklet in its entirety, including the Independent Expert's Report, before making a decision on how to vote in relation to the Scheme.

If you are in any doubt as to what you should do with this Scheme Booklet, please consult your legal, financial, tax or other professional adviser. If you have any general questions relating to the Scheme, please call the SXG Shareholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8.30am and 5.00pm (Melbourne time) or alternatively you can send an email to Open Engagement at [brendan@openengagement.au](mailto:brendan@openengagement.au).

## STEP 2: VOTE AT THE SCHEME MEETING

If you are registered as an SXG Shareholder by the Share Registry at the Voting Entitlement Time, which is 7.00 pm on Wednesday 11 December 2024, you will be entitled to vote at the Scheme Meeting.

If you are entitled to vote at the Scheme Meeting, it is important that you vote. This is because the Scheme must be passed by a majority in number (more than 50%) of SXG Shareholders who are present and voting at the Scheme Meeting, by person or by proxy, and at least 75% of the votes cast at the Scheme Meeting.

The Scheme Meeting will be held at 11.00am on Friday 13 December 2024 at William Buck, Level 20, 181 William Street, Melbourne VIC 3000.

Further details about the Scheme Meeting are set out in the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet.

You should note that implementation of the Scheme is subject to a number of other Scheme Conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented. So, the Scheme may not proceed even if the Scheme is approved by SXG Shareholders at the Scheme Meeting. The Scheme Conditions are summarised in detail in section 5.3 of this Scheme Booklet.

Please refer to section 3 of this Scheme Booklet for a summary of voting procedures for the Scheme Meeting.

# Key reasons to vote for and against the Scheme

## Reasons to vote in favour of the Scheme

- ✓ The Independent SXG Board Committee unanimously recommend that you vote in favour of the Scheme, unless a Superior Proposal emerges, or the Independent Expert changes its conclusion.<sup>1</sup>
- ✓ The Independent Expert has concluded that the Scheme is in the best interests of SXG Non-Associated Shareholders.
- ✓ No Superior Proposal has emerged since the announcement of the Scheme.
- ✓ The simplification and alignment of the corporate structure of the group may lead to a positive revaluation of the asset, reducing the cost of capital for the Combined Group.
- ✓ The Scheme should result in enhanced access to North American capital markets which are larger and more diverse than Australian capital markets, by being accessible by a broader pool of investors and as a result, leading to a lower cost of capital. The increased market capitalisation may lead to a greater presence on indices and aid in the Combined Group's capital raising prospects.
- ✓ The Scheme will transition SXG Shareholders to a more institutionally dominated and supportive register.
- ✓ The Scheme will reduce perceived major shareholder overhang of SXG.
- ✓ The Scheme will improve SXG Shareholder voting enfranchisement.
- ✓ The Scheme should reduce duplicated administrative costs and allow share fungibility across markets.
- ✓ The combined group will be led by the current successful Australian board and management team and Board of SXG, ensuring continuity and leveraging their expertise.
- ✓ No brokerage or stamp duty will be payable by you for the transfer of your SXG Shares under the Scheme.

Reasons why you might decide to vote in favour of the Scheme are set out in more detail in section 4 of this Scheme Booklet.

## Potential reasons to vote against the Scheme

- ✗ The transaction costs of implementing the scheme are estimated to be AU \$1.4 million. However, some of these costs will be incurred regardless of whether the Scheme is approved.
- ✗ SXG Shareholders will become shareholders of Mawson on completion of the Scheme, a company registered in and subject to the laws of British Columbia, Canada. Those laws offer different shareholder protections to Australian law.
- ✗ Ineligible Overseas Shareholders will receive cash proceeds and will not be able to receive Mawson CDIs or New Mawson Shares.
- ✗ The future value of Mawson CDIs and New Mawson Shares after the Scheme is implemented may shift with the market and investor sentiment and as such is considered uncertain.
- ✗ You may wish to maintain your current investment profile and exposure to a business with SXG's specific characteristics.
- ✗ You may believe there is potential for a Superior Proposal to be made in the foreseeable future.
- ✗ You may disagree with the Independent SXG Board Committee's unanimous recommendation or the Independent Expert's conclusion.
- ✗ The tax consequences of the Scheme may not suit your current financial situation.
- ✗ The Scheme may be subject to Scheme Conditions that you consider unacceptable.

Reasons why you might decide not to vote in favour of the Scheme are set out in more detail in section 4 of this Scheme Booklet.

<sup>1</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

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## Letter from the Chair of the Independent SXG Board Committee

Dear SXG Shareholder,

On behalf of the Independent SXG Board Committee, I am pleased to provide you with this Scheme Booklet that contains information that you will need to consider in relation to the proposed Scheme of Arrangement involving Southern Cross Gold Limited (**SXG**) and Mawson Gold Limited (**Mawson**).

### Background to the Scheme

Since listing on the ASX in 2022, SXG has been successful in consistently providing promising exploration results from its exploration projects, particularly the Sunday Creek Gold-Antimony Project. This has delivered significant value for shareholders, including Mawson who remained a substantial shareholder after SXG was spun out.

Your board continuously assesses opportunities to deliver value for shareholders and in order to take the next steps as a company we feel it is important to create a simpler and consolidated dual-listed structure. A number of pathways were considered including an in-specie distribution however, a scheme of arrangement was considered the most rational and effective outcome for all SXG shareholders.

The directors of SXG have established a committee of independent directors (**Independent SXG Board Committee**) consisting of all SXG directors other than Michael Hudson (who is also the Executive Chairman and Interim CEO of Mawson), to evaluate the terms of the proposed Scheme, reach an independent conclusion on whether the Scheme is in the best interests of SXG Non-Associated Shareholders, and make an independent recommendation to SXG Shareholders on how to vote on the Scheme.

On 31 July 2024, SXG and Mawson announced that they had signed a Scheme Implementation Agreement to merge the companies by way of an Australian scheme of arrangement between SXG and its shareholders (**Scheme**). Mawson will be renamed Southern Cross Gold Consolidated Ltd and will be listed on the Australian Securities Exchange (**ASX**) and remain listed on the TSX Venture Exchange (**TSXV**).

### Commercial rationale for the Scheme

The commercial rationale for the Scheme is centred around creating a more efficient and unified entity with enhanced access to capital markets, improved shareholder enfranchisement, and reduced administrative costs.

First, it aims to rectify the disenfranchisement of SXG shareholders, who currently have limited influence over SXG's board and decision-making processes because of the controlling interest held by Mawson. Following the Scheme, the Combined Group is expected to have improved access to capital markets, potentially making it more attractive to institutional investors. This is particularly important for SXG's exploration activities which require substantial ongoing funding.

Additionally, the consolidation of SXG and Mawson will result in cost savings and operational efficiencies by eliminating the inefficiencies associated with Mawson's current status as a holding company with partial control such as duplicated requirements relating to financial reporting. The Scheme ensures that SXG Shareholders' economic interests remain unchanged, maintaining their investment value. It also aims to balance voting power more equitably among all shareholders in both companies, enhancing corporate governance and reducing the influence of any single large shareholder in SXG. By addressing the issue of shareholder overhang, the Scheme has the potential to create a more stable and attractive investment environment, encouraging new investments and fostering growth.

## Independent Expert

The Independent SXG Board Committee subsequently commissioned an Independent Expert, Grant Thornton Australia, to prepare the Independent Expert's Report in relation to the Scheme.

### **The Independent Expert has concluded that the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the best interests of SXG Non-Associated Shareholders.**

The approach taken by the Independent Expert has been to consider the advantages and disadvantages of the Scheme to determine whether the Scheme is in the best interests of SXG Non-Associated Shareholders, rather than to undertake a valuation and provide an opinion of whether the Scheme is "fair and reasonable". In the Independent Expert's view, this approach is consistent with ASIC Regulatory Guide 111 which provides that in the absence of a change in the underlying economic interests of shareholders or a change of control, an expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. Given that there will be no effective change in the underlying economic interests of SXG Non-Associated Shareholders in SXG's current assets as a result of the Scheme, and that there will be continuity of the Board and management of SXG, the approach to provide a 'best interests' opinion has been taken in the Independent Expert's Report. A copy of the Independent Expert's Report is contained in Annexure A of this Scheme Booklet.

## Directors' recommendation

After carefully considering the expected advantages and potential disadvantages of the Scheme, each of the Independent SXG Board Committee members considers the Scheme to be in the best interests of SXG Non-Associated Shareholders and recommends that SXG Shareholders vote in favour of the Scheme, in each case in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.<sup>2</sup>

Subject to these same qualifications, each SXG director (including the Managing Director, Michael Hudson) intends to vote, or procure the voting of, any SXG Shares in which he or she has a Relevant Interest in favour of the Scheme. Details of Mr Hudson's interests in SXG and Mawson are set out in section 12.1 of this Scheme Booklet.<sup>3</sup>

The Independent SXG Board Committee considers the Scheme to be in the best interests of SXG Non-Associated Shareholders having regard to anticipated benefits of the Scheme including the simplification of the corporate structure leading to potentially enhanced access to capital markets and reduction of the cost of capital, institutional shareholder support, consolidation of asset ownership and resolution of perceived major shareholder overhang, improving SXG Shareholder voting enfranchisement, cost reduction through consolidation of two companies and retention of SXG's existing board and management team.

The Independent SXG Board Committee has also considered the disadvantages of the Scheme, including the transaction costs of implementing the Scheme, the change of legal jurisdiction, the inability of Ineligible Overseas Shareholders to receive the same form of consideration as other Shareholders, the uncertain future value of securities in Mawson, investors wishing to maintain their current investment profile, the potential for a future Superior Proposal or on the recommendations of the SXG Independent Board Committee and Independent Expert, tax consequences not suiting an

<sup>2</sup> The interests of SXG Directors are disclosed in section 12.1 of this Scheme Booklet. SXG Shareholders should have regard to these interests when considering how to vote on the Scheme Resolution. See also disclosure of SXG Directors' interests in footnote 3 below.

<sup>3</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

investor's financial situation. The Independent SXG Board Committee has further considered the risks of the Scheme, including fluctuation of the implied value of Scheme Consideration, non-satisfaction of Scheme Conditions, termination of the Scheme Implementation Agreement, not receiving Court approval, taxation risks, litigation risks, a superior proposal emerging, and other risks relating to the Combined Group.

Further detail on the potential advantages, disadvantages and risks relating to the Scheme and Combined Group as applicable can be found in sections 4.2, 4.3 and 10 respectively.

### Overview of the Scheme

Mawson currently owns fully paid ordinary shares in SXG (**SXG Shares**) representing approximately 48.67% of the issued shares of SXG.

Prior to the Scheme becoming effective, Mawson will consolidate the number of Mawson Shares on issue to be equal to the number of SXG Shares that it currently owns (subject to rounding). Under the Scheme, SXG Shareholders will then exchange one SXG Share for one Mawson CDI by default (or, if a shareholder has made a valid election using a Share Election Form, one New Mawson Share in book-entry form in the Direct Registration System) (i.e. an exchange ratio of 1:1), with each CDI representing a beneficial interest in one Mawson Share. SXG will then become a wholly owned subsidiary of Mawson as a result of the Scheme.

As a result, current holders of SXG (other than Mawson) will own the same number and proportion of Mawson Shares (in CDI form, or in direct ownership of Mawson Shares if preferred) following completion of the Scheme as they owned in SXG prior to completion of the Scheme. In other words, there will be no change in the economic interests of SXG Shareholders (except for Ineligible Overseas Shareholders) in SXG's current assets.

In conjunction with the Scheme, Mawson will be renamed Southern Cross Gold Consolidated Ltd and will apply for listing on the ASX through the admission to quotation of the Mawson CDIs (which will be subject to the ASX listing and admission process). Mawson has reserved the ASX ticker "SX2" for its listing. Once the transaction is complete, it is anticipated that the new Southern Cross Gold Consolidated Ltd will trade on both the TSXV and the ASX.

The Scheme is subject to a range of conditions, including, but not limited to, approval by SXG and Mawson Shareholders, court approval and regulatory approvals, and ASX approving the listing of Mawson. SXG and Mawson have entered into a Scheme Implementation Agreement relating to the Scheme containing common terms and conditions for a merger such as this, including mutual exclusivity provisions (subject to fiduciary duties), mutual break fee provisions, and mutual representations and warranties.

### Scheme Meeting

**Your vote is important.** The Scheme can only be implemented if it is approved by:

- a majority in number (more than 50%) of SXG Shareholders who are present and voting, in person or by proxy, at the Scheme Meeting; and
- at least 75% of the votes cast at the Scheme Meeting,

and if it is subsequently approved by the Court.

The Scheme Meeting will be held at 11.00 am on Friday 13 December 2024 at William Buck, Level 20, 181 William Street, Melbourne VIC 3000.

Further details about the Scheme Meeting are set out in the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet.

Should you wish to appoint a proxy to attend and vote on your behalf, please complete and sign the personalised Proxy Form accompanying this Scheme Booklet and return it to the Share Registry in

one of the ways set out in the explanatory notes of the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet, **by no later than 11.00 am on Wednesday 11 December 2024.**

I strongly encourage you to carefully consider all the information set out in this Scheme Booklet when deciding whether to vote in favour of the Scheme.

If you have any general questions relating to the Scheme, please call the SXG Shareholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8.30am and 5.00pm (Melbourne time) or alternatively you can send an email to Open Engagement at [brendan@openengagement.au](mailto:brendan@openengagement.au).

On behalf of the Independent SXG Board Committee, I would like to take this opportunity to thank you in advance for your ongoing support of SXG. The Independent SXG Board Committee believe that the proposed combination of SXG and Mawson through the Scheme makes strong and logical commercial and strategic sense and is in the best interests of SXG Shareholders (other than Excluded Shareholders). We encourage you to vote in favour of the Scheme and look forward to your participation in the Scheme Meeting.

Yours faithfully,



**Tom Eadie**

Chair of the Independent SXG Board Committee of Southern Cross Gold Limited  
Non-executive Chairman of the Board of Southern Cross Gold Limited

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## Letter from the Executive Chairman of Mawson Gold Limited

Dear SXG Shareholder,

On behalf of Mawson, I am pleased to provide you with the opportunity to participate in the merger of Mawson and SXG and the expected benefits of the Combined Group. If the Scheme is implemented, we expect that the combination of Mawson and SXG will unlock value via the consolidation of ownership and dual listing of the Combined Group and its Sunday Creek asset.

I am very excited to have the opportunity to lead the combined group as Managing Director/President & CEO, a company that will further become recognised as a growth and high-grade gold story across both the Australian and North American markets. The merger will bring together two companies who have a common vision to maximise value per share and aim to develop the highest cashflow margin gold mine globally, while prioritising environmental sustainability and stakeholder interests in all communities which they affect.

Our flagship project, the Sunday Creek epizonal-style gold-antimony project is located 60 km north of Melbourne within 19,365 hectares of granted exploration tenements. SXG is also the freehold landholder of 133.29 hectares that form the key portion in and around the main drilled area at the Sunday Creek Project. Over the last few years and up to the date of this booklet 131 drill holes for 58,494 m have been reported from Sunday Creek. The project now contains a total of forty-five (45) >100 g/t AuEq x m and fifty (50) >50 to 100 g/t Au x m drill holes by applying a 2 m @ 1 g/t lower cut, a globally leading hit rate, making Sunday Creek one of the most exciting discoveries in the gold-space over the last few years.

The Combined Group is expected to have wider access to capital markets in North America as well as Australia and is anticipated to be more attractive to institutional investors. These factors, together with the elimination of the perceived major shareholder overhang that arises from Mawson's current shareholding in SXG should attract an expected lower cost of equity capital which will allow the Sunday Creek gold-antimony asset to continue its path to development.

The Combined Group will be led by the existing board and management leadership of SXG.

As an SXG Shareholder, you have the opportunity to vote on the Scheme, where a vote in favour of the Scheme by the requisite majority of shareholders (and satisfaction of the other conditions to the Scheme) will secure the merger of the two businesses. This Scheme Booklet contains important information in relation to the Scheme. Further details of the benefits of the Scheme to SXG Shareholders and reasons why you may consider voting for or against the Scheme are set out in sections 4.1 to 4.3.

On behalf of Mawson, I encourage you to read this Scheme Booklet carefully and vote in favour of the scheme at the Scheme Meeting to be held at 11.00 am (Melbourne time) on Friday 13 December 2024 at William Buck, Level 20, 181 William Street, Melbourne VIC 3000.

We look forward to welcoming you as a Mawson Shareholder following implementation of the Scheme.

Yours sincerely,



**Michael Hudson**  
Executive Chairman and Interim CEO  
Mawson Gold Limited

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## 1. Overview of the Scheme

### 1.1 Background

On 31 July 2024, SXG announced that it and Mawson had signed a Scheme Implementation Agreement under which it is proposed that Mawson will acquire all SXG Shares not already owned by Mawson by way of a scheme of arrangement between SXG and its shareholders. Mawson will be renamed Southern Cross Gold Consolidated Ltd, will be listed on the Australian Securities Exchange (**ASX**) using the ASX ticker "SX2", and will remain listed on the TSX Venture Exchange (**TSXV**).

If the Scheme is approved by the Requisite Majority of SXG Shareholders and the Court, and all other Scheme Conditions relevant to the Scheme are satisfied or waived (as applicable), SXG will become a wholly-owned subsidiary of Mawson and will apply to be delisted from the ASX.

If the Scheme is not approved, then the Scheme will not proceed and SXG will continue as a standalone entity listed on the ASX, with Mawson remaining as its major shareholder.

### 1.2 What will you receive?

#### (a) Scheme Consideration

Prior to the Effective Date, Mawson will consolidate the number of Mawson Shares on issue 306,138,320 to be equal to the number of SXG Shares 96,590,910 that it owns (subject to rounding). Under the Scheme, SXG Shareholders will be issued Mawson CDIs quoted on ASX, or if they have made a valid election using a Share Election Form, New Mawson Shares listed on TSXV, in exchange for their SXG Shares, in each case on a one-for-one basis. Current SXG Shareholders (other than Mawson) will own approximately 51.33% of issued Combined Group shares following completion of the Scheme, increasing to 56.20% taking into account the SXG Shares proposed to be issued under the Share Swap Agreement detailed in section 7.8. Potential changes to the capital structure of SXG are discussed in section 7.12 of this Scheme Booklet. Potential changes to the capital structure of the Combined Group are discussed in section 9.5(a) of this Scheme Booklet.

SXG Shareholders will receive Scheme Consideration by default in the form of Mawson CDIs, unless a shareholder elects to receive New Mawson Shares in book-entry form in the Direct Registration System, or unless they are an Ineligible Overseas Shareholder whose entitlements are dealt with in the next section 1.2(b).

If you wish to make an election to receive New Mawson Shares as your Scheme Consideration, you must request a Share Election Form from the SXG Shareholder Information Line and complete and return the Share Election Form in accordance with the instructions on that form so that it is received by the Share Registry by no later than 5:00 pm (Melbourne time) on Monday 16 December 2024. If you wish to change your election after submitting a Share Election Form, you can withdraw your election by requesting a Share Election Withdrawal Form from the SGX Shareholder Information Line, and completing and returning the form in accordance with the instructions on that form such that it is received by the Share Registry by no later than 5:00 pm (Melbourne time) on Monday 16 December 2024.

An SXG Shareholder who holds one or more parcels of SXG Shares as trustee or nominee for, or otherwise on account of, another person, may not make separate elections in relation to each of those parcels of SXG Shares. If some of the underlying beneficiaries prefer that the Scheme Consideration is received in the form of New

Mawson Shares, the trustee or nominee must, prior to a Share Election Form being submitted, establish separate and distinct holdings in the Share Register in respect of each parcel of SXG Shares in order to allow the trustee or nominee to make separate elections in respect of each parcel of SXG. Accordingly, trustees and nominees should only provide one Share Election Form for each registered shareholding of SXG Shares.

All items and documents (including Share Election Forms and Share Election Withdrawal Forms) sent to, from, by or on behalf of SXG Shareholders are sent entirely at the SXG Shareholders' risk. SXG will determine, in its sole discretion, all questions as to the correct completion of a Share Election Form or Share Election Withdrawal Form, and time of receipt of such form. SXG is not required to communicate with any SXG Shareholder prior to making this determination. The determination of SXG will be final and binding on the SXG Shareholder.

See section 6 of this Scheme Booklet for a more detailed explanation of the Scheme Consideration.

**(b) Ineligible Overseas Shareholders**

Ineligible Overseas Shareholders will not receive Mawson CDIs nor New Mawson Shares under the Scheme. Mawson CDIs or New Mawson Shares that would otherwise be issued to these Scheme Participants under the Scheme will be issued to a nominee of Mawson to be sold on TSXV or ASX, with the sale proceeds (after deducting applicable costs and charges) to be paid to the Ineligible Overseas Shareholder in Australian dollars.

More details on Ineligible Overseas Shareholders are set out in section 6.9 of this Scheme Booklet.

**(c) Exchange of SXG Options and SXG Performance Rights**

Under the terms of the Scheme Implementation Agreement, SXG and Mawson must use reasonable endeavours to enter into an Options and Rights Exchange Agreement (in a form agreed by SXG and Mawson, each acting reasonably) with each holder of SXG Options or SXG Performance Rights. The effect of the exchange will be to replace current SXG Options and SXG Performance Rights with equivalent options and rights in relation to Mawson Shares, without changing the exercise price of the options or vesting conditions of the rights.

Subject to the Scheme becoming Effective, Mawson must issue New Mawson Options and New Mawson Restricted Stock Units in accordance with the terms of all such Options and Rights Exchange Agreements.

Any Directors of SXG who hold SXG Options or SXG Performance Rights will be asked to enter into an Options and Rights Exchange Agreement with SXG and Mawson and will receive Mawson Options or Mawson Restricted Stock Units under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options or Performance Rights.

SXG will 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.

There are 2,600,000 options in Mawson on issue with an exercise price of \$0.24 at the date of this Scheme Booklet. Mawson intends to adjust the number and exercise price of these existing options in proportion to the Exchange Ratio applied in the

Mawson Share Consolidation (i.e. the number of existing options in Mawson would reduce and the exercise price would increase, to maintain the economic value of the options). These options in Mawson would exist alongside New Mawson Options.

### 1.3 Scheme Conditions

Implementation of the Scheme is subject to a number of Scheme Conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented.

The Scheme Conditions are set out in full in clause 2 of the Scheme Implementation Agreement and clause 3.1 of the Scheme. They are summarised in detail in section 5.3 of this Scheme Booklet.

If a Scheme Condition in the Scheme Implementation Agreement is not satisfied or waived by its Relevant Date, or if a circumstance occurs that is reasonably likely to result in a Scheme Condition not being capable of being satisfied, or if the Scheme has not become Effective by the End Date, then SXG and Mawson:

- will consult in good faith to determine whether the Scheme may proceed by way of alternative means or methods; and
- may agree to extend the Relevant Date or the End Date, or both.

If SXG and Mawson are unable to reach agreement, and the relevant Scheme Condition has not been waived (as applicable), then the parties may terminate the Scheme Implementation Agreement in accordance with clause 16 of the Scheme Implementation Agreement.

### 1.4 Independent SXG Board Committee

The directors of SXG established a committee of independent directors (referred to in this Scheme Booklet as the '**Independent SXG Board Committee**') consisting of all SXG directors other than Michael Hudson (because of his role as Executive Chairman and Interim CEO of Mawson), to evaluate the terms of the proposed Scheme, reach an independent conclusion on whether the Scheme is in the best interests of SXG Shareholders (other than Excluded Shareholders), and make an independent recommendation to SXG Shareholders on how to vote on the Scheme.

### 1.5 What are the recommendations and intentions of the Independent SXG Board Committee?

The Independent SXG Board Committee unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.<sup>4</sup>

Subject to these same qualifications, each Independent SXG Director intends to cause any SXG Shares in which they have a Relevant Interest to be voted in favour of the Scheme. Relevant Interests of Independent SXG Board are disclosed in section 12.1 of this Scheme Booklet.

Michael Hudson, who is the Managing Director of SXG, also considers the Scheme to be in the best interests of SXG Shareholders (other than Excluded Shareholders) and recommends that SXG Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal

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<sup>4</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders. Subject to these same qualifications, Mr Hudson also intends to vote, or procure the voting of, any SXG Shares in which he has a Relevant Interest in favour of the Scheme. Details of Mr Hudson's interests in SXG and Mawson are set out in section 12.1 of this Scheme Booklet.

## 1.6 What is the Independent Expert's conclusion?

The Independent SXG Board Committee engaged Grant Thornton Australia as the Independent Expert to consider, and prepare a report on, whether the Scheme is in the best interests of the SXG Shareholders.

The Independent Expert has concluded that **the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the best interests of SXG Non-Associated Shareholders.**

The Independent Expert's Report is contained in Annexure A.

## 1.7 Effect of the Scheme

If the Scheme becomes Effective and is implemented:

- each Scheme Participant will receive the Scheme Consideration;
- Mawson will acquire all of the SXG Shares it does not already own and SXG will become a wholly-owned subsidiary of Mawson;
- SXG will be delisted from the ASX; and
- Mawson will, subject to ASX approval, be listed on the ASX and continue to be listed on the TSXV.

If the Scheme becomes Effective, it will bind all Scheme Participants, regardless of whether they were present at the Scheme Meeting, voted at the Scheme Meeting or voted against the Scheme.

A copy of the Scheme is provided as Annexure C.

## 1.8 Changes intended in respect of Mawson

### (a) Changes to the Mawson Board of Directors and management

Following completion of the Scheme and subject to approval of the Mawson Shareholders, the Board of Mawson will be reconstituted so that it comprises the current members of the SXG Board of directors (Tom Eadie as Non-Executive Chairman, Georgina Carnegie and David Henstridge as non-executive Directors and Michael Hudson as Managing Director). An additional director may be drawn from the current Mawson Board of directors.

Management of the Combined Group will reflect the current management of SXG led by Michael Hudson as President & CEO, Lisa Gibbons as General Manager and Kenneth Bush as Exploration Manager.

### (b) Change to the naming of Mawson

It is intended that Mawson will be renamed to Southern Cross Gold Consolidated Ltd on completion of the Scheme. Mawson has reserved the ASX ticker "SX2" for its listing.

## **1.9 Steps for implementing the Scheme**

There are various steps that need to be taken to implement the Scheme, which are described in section 5.2 of this Scheme Booklet.

### **1.10 Entitlement to vote**

Each SXG Shareholder who is registered on the Share Register as the holder of a SXG Share at the Voting Entitlement Time (other than Mawson and its Subsidiaries) may vote at the Scheme Meeting.

More details about voting are set out in section 3 of this Scheme Booklet.

### **1.11 When and where will the Scheme Meeting be held?**

The Scheme Meeting to consider the Scheme will be held at 11.00 am on Friday 13 December 2024 at William Buck, Level 20, 181 William Street, Melbourne VIC 3000.

Further details about the Scheme Meeting are set out in the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet.

### **1.12 Exclusivity arrangements**

There are various exclusivity arrangements that have been agreed to by SXG in relation to the Scheme in favour of Mawson, which are summarised in section 5.6 of this Scheme Booklet.

### **1.13 Tax considerations**

A summary of the general Australian taxation implications of the Scheme for SXG Shareholders who are Australian residents is set out in section 11 of this Scheme Booklet. The information is general in nature and not taxation advice.

Your decision regarding how to vote on the Scheme should be made only after consultation with your financial, legal or other professional adviser based on your own investment objectives, financial situation, taxation position and particular needs.

### **1.14 What is the current status of the Scheme and next steps?**

As described elsewhere in this section, the Scheme must be approved by the Requisite Majority of SXG Shareholders and by the Court and the Scheme Conditions must be satisfied or waived.

As at the date of this Scheme Booklet, Mawson, SXG and the Independent SXG Board Committee are not aware of any reasons why the Scheme Conditions will not be satisfied or the Scheme Implementation Agreement would be terminated.

A statement about the status of Scheme Conditions will be made at the commencement of the Scheme Meeting.

### **1.15 How to obtain further information**

If you have any general questions relating to the Scheme, please call the SXG Shareholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8.30am and 5.00pm (Melbourne time) or alternatively you can send an email to Open Engagement at [brendan@openengagement.au](mailto:brendan@openengagement.au). If you are in any doubt about what to do or anything in this Scheme Booklet, you should consult your legal, financial, taxation or other professional adviser immediately.

## 2. Frequently asked questions

This section answers some questions you may have about the Scheme. The information is a basic summary only and is elaborated on in specified areas of this Scheme Booklet. The information should be read in conjunction with those specified areas.

Question	Answer	More information
<b>General</b>		
<b>Why has this Scheme Booklet been made available to you?</b>	This Scheme Booklet has been made available to assist you in deciding how to vote (should you wish to) on the proposed scheme of arrangement (through which Mawson will acquire all SXG Shares not already held by Mawson).	This Scheme Booklet
<b>What are you being asked to consider?</b>	SXG Shareholders are being asked to consider whether the Scheme should be implemented or not.	Sections 1 and 4
<b>What is a scheme of arrangement?</b>	A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used to enable one company to acquire or merge with another.	Sections 1 and 5
<b>What would be the effect of the Scheme?</b>	If the Scheme is implemented, your SXG Shares will be transferred to Mawson and in return you will receive the Scheme Consideration. SXG will become a wholly-owned subsidiary of Mawson and be delisted from the ASX. Mawson will be renamed Southern Cross Gold Consolidated Ltd, will be listed on the Australian Securities Exchange ( <b>ASX</b> ) and remain listed on the TSX Venture Exchange ( <b>TSXV</b> ) in Canada.	Sections 1.7 and 6
<b>Are there any conditions that need to be satisfied before the Scheme can proceed?</b>	<p>Certain conditions need to be satisfied (or waived) before the Scheme can proceed, including:</p> <ul style="list-style-type: none"> <li>• <b>(Voting)</b> for the Scheme to proceed, the Requisite Majority of SXG Shareholders must vote in favour of the Scheme at the Scheme Meeting;</li> <li>• <b>(Approvals)</b> approvals are required from regulatory authorities (such as ASX, TSXV and ASIC) and the Court;</li> <li>• <b>(Independent Expert's Report)</b> the Independent Expert concluding that the Scheme is in the best interests of SXG Non-Associated Shareholders and</li> <li>• <b>(Other conditions)</b> various other conditions must be satisfied or waived for the Scheme to proceed, including there being no material adverse effect on either SXG or Mawson and there being no breach of representations and warranties by the parties. These conditions are set out in full in section 5.3 of this Scheme Booklet.</li> </ul> <p>If the conditions are not satisfied or waived by their Relevant Dates, the Scheme will not proceed.</p>	Sections 1.2(c) and 5.3
<b>When will the Scheme become effective?</b>	<p>The Scheme becomes effective when the Court orders it under section 411(4)(b) of the Corporations Act. This is called the 'Effective Date'. The Court will not consider granting the order for the Scheme unless the Scheme has been approved by the Requisite Majority of SXG Shareholders.</p> <p>If the Court does not grant the order for the Scheme by 30 December 2024, or such later date as SXG and Mawson mutually agree, the Scheme will not proceed.</p>	Section 5.2(f)
<b>Can I sell my SXG Shares now?</b>	<p>You can sell your SXG Shares on-market on the ASX at any time before the close of trading on ASX on the Effective Date.</p> <p>However, note that the on-market price you receive at the time of sale may not be the same value as the consideration you would be entitled to receive if you sold your shares to Mawson under the Scheme (and you may also be required to pay brokerage if you sell your shares on-market).</p>	Section 6.3
<b>Can I choose to keep my SXG Shares?</b>	If the Scheme proceeds, you will not be able to keep your SXG Shares. All SXG Shares that are not already owned by Mawson will be transferred to Mawson so that SXG becomes a wholly owned subsidiary of Mawson.	Sections 1 and 5

Question	Answer	More information								
<b>Independent SXG Board Committee recommendations and Independent Expert's conclusion</b>										
<p><b>Who are the Independent SXG Board Committee?</b></p>	<p>The directors of SXG established a committee of independent directors (referred to in this Scheme Booklet as the 'Independent SXG Board Committee') consisting of all SXG directors except Michael Hudson (because he is also the Executive Chairman and Interim CEO of Mawson), to evaluate the terms of the proposed Scheme, reach an independent conclusion on whether the Scheme is in the best interests of SXG Shareholders, and make an independent recommendation to SXG Shareholders on how to vote on the Scheme.</p> <table border="1" data-bbox="491 562 1209 757"> <thead> <tr> <th colspan="2">Independent SXG Board Committee</th> </tr> </thead> <tbody> <tr> <td>Tom Eadie</td> <td>Non-executive Chairman</td> </tr> <tr> <td>Georgina Carnegie</td> <td>Non-executive Director</td> </tr> <tr> <td>David Henstridge</td> <td>Non-executive Director</td> </tr> </tbody> </table>	Independent SXG Board Committee		Tom Eadie	Non-executive Chairman	Georgina Carnegie	Non-executive Director	David Henstridge	Non-executive Director	Section 1.4
Independent SXG Board Committee										
Tom Eadie	Non-executive Chairman									
Georgina Carnegie	Non-executive Director									
David Henstridge	Non-executive Director									
<p><b>What do the Independent SXG Board Committee recommend?</b></p>	<p>The Independent SXG Board Committee unanimously recommend that SXG Shareholders <b>vote in favour of the Scheme</b>, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.<sup>5</sup></p> <p>The interests held by the Independent SXG Board Committee are disclosed in section 12.1 of this Scheme Booklet. The following Independent SXG Board Committee have a Relevant Interest in SXG Shares:</p> <table border="1" data-bbox="491 1021 1238 1216"> <thead> <tr> <th>Independent SXG Director</th> <th>Number of SXG Shares held</th> </tr> </thead> <tbody> <tr> <td>Tom Eadie</td> <td>619,961 fully paid ordinary shares</td> </tr> <tr> <td>Georgina Carnegie</td> <td>293,106 fully paid ordinary shares</td> </tr> <tr> <td>David Henstridge</td> <td>478,294 fully paid ordinary shares</td> </tr> </tbody> </table> <p>The Managing Director of SXG, Michael Hudson, also considers the Scheme to be in the best interests of SXG Non-Associated Shareholders and recommends that SXG Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders. Details of Mr Hudson's interests in SXG and Mawson are set out in section 12.1 of this Scheme Booklet.</p> <p>SXG Shareholders should have regard to these interests when considering how to vote on the Scheme.</p>	Independent SXG Director	Number of SXG Shares held	Tom Eadie	619,961 fully paid ordinary shares	Georgina Carnegie	293,106 fully paid ordinary shares	David Henstridge	478,294 fully paid ordinary shares	Sections 1.5, 4.1(a) and 12.1
Independent SXG Director	Number of SXG Shares held									
Tom Eadie	619,961 fully paid ordinary shares									
Georgina Carnegie	293,106 fully paid ordinary shares									
David Henstridge	478,294 fully paid ordinary shares									
<p><b>Have any Competing Transactions or Superior Proposals emerged?</b></p>	<p>No Competing Transaction has emerged since the announcement of the Proposed Transaction on 11 June 2024. As at the date of this Scheme Booklet, neither SXG nor any of SXG's advisers are aware of any Competing Transaction.</p>	Section 4.1(d)								
<p><b>What happens if a Competing Transaction or Superior Proposal emerges?</b></p>	<p>SXG has certain obligations (for Mawson's benefit) which prevent SXG from soliciting or entertaining Competing Transactions.</p> <p>However, if an unsolicited Competing Transaction emerges and the Independent SXG Board Committee consider it to be a Superior Proposal, then SXG may entertain that proposal (after making specified disclosures to Mawson).</p>	Section 5.6								

<sup>5</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

Question	Answer	More information
<b>Is a break fee payable by SXG?</b>	Yes – a break fee of \$1 million is payable by SXG, on the occurrence of specified events detailed further below in this Scheme Booklet.	Section 4.4(c)
<b>How do the SXG directors intend to vote in respect of their own SXG Shares?</b>	<p>Each Independent SXG Director intends to cause any SXG Shares in which they have a Relevant Interest to be voted in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.</p> <p>Subject to those same qualifications, the Managing Director of SXG, Michael Hudson, also intends to vote, or procure the voting of, any SXG Shares in which he has a Relevant Interest in favour of the Scheme. Details of Mr Hudson's interests in SXG and Mawson are set out in section 12.1 of this Scheme Booklet.<sup>6</sup></p>	Sections 1.5 and 12.1
<b>What is the Independent Expert's opinion?</b>	<p>The Independent Expert has considered the Scheme and concluded that the advantages of the Scheme outweigh the disadvantages and the Scheme is in the best interests of SXG Non-Associated Shareholders.</p> <p>The Independent Expert's Report is contained in Annexure A.</p>	Sections 1.5 and 4.1(c)
<b>Why you may consider voting in favour of the Scheme</b>	<p>There are various reasons why you may consider voting in favour of the Scheme, which are set out in detail in section 4.2 of this Scheme Booklet. Some of the key reasons include:</p> <ul style="list-style-type: none"> <li>• the Independent SXG Board Committee unanimously recommend that you vote in favour of the Scheme, unless a Superior Proposal emerges, or the Independent Expert changes its conclusion;<sup>7</sup></li> <li>• the Independent Expert has concluded that the Scheme is in the best interests of SXG Non-Associated Shareholders;</li> <li>• no Superior Proposal has emerged since the announcement of the Scheme;</li> <li>• the simplification and alignment of the corporate structure of the group may lead to a positive revaluation of the asset, reducing the cost of capital for the Combined Group;</li> <li>• the simplified corporate structure and increased market capitalisation of Mawson resulting from the issue of Scheme Consideration may result in enhanced access to North American capital markets which are larger and more diverse than the Australian capital markets. Being accessible by a broader pool of investors may also lead to a lower cost of capital. The increased market capitalisation is expected to lead to a greater presence on indices and aid in the Combined Group's future capital raising prospects;</li> <li>• the Scheme will transition SXG Shareholders to a more institutionally dominated and supportive register;</li> <li>• the Scheme will reduce the perceived major shareholder overhang of SXG;</li> <li>• the Scheme should improve SXG Shareholder voting enfranchisement;</li> <li>• the Scheme should reduce duplicated administrative costs and share fungibility across markets;</li> <li>• the Combined Group will be led by the current successful Australian management team and Board of SXG, ensuring continuity and leveraging their expertise;</li> </ul>	Sections 4.1 and 4.4

<sup>6</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

<sup>7</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

Question	Answer	More information
	<ul style="list-style-type: none"> <li>• if the Scheme does not proceed, and no Superior Proposal emerges, the SXG share price may fall in the near-term; and</li> <li>• no brokerage or stamp duty will be payable by you for the transfer of your SXG Shares under the Scheme.</li> </ul>	
<b>Why you may consider voting against the Scheme</b>	<p>The potential reasons you may consider voting against the Scheme are set out in detail in sections 4.3 and 4.4 of this Scheme Booklet. Some of those reasons include:</p> <ul style="list-style-type: none"> <li>• The transaction costs of implementing the Scheme are estimated to be AU \$1.4 million. However, some of these costs will be incurred regardless of whether the Scheme is approved;</li> <li>• SXG Shareholders will become shareholders of Mawson on completion of the Scheme, a company registered in and subject to the laws of British Columbia. Those laws offer different shareholder protections to Australian law;</li> <li>• Ineligible Overseas Shareholders will receive cash proceeds and will not be able to receive Mawson CDIs or New Mawson Shares;</li> <li>• the future value of Mawson CDIs or New Mawson Shares after the Scheme is implemented may shift with market and investor sentiment and as such is considered uncertain;</li> <li>• there are risks relating to the Scheme (see the next frequently asked question below, and section 10. for more detail of those risks);</li> <li>• you may wish to maintain your current investment profile and exposure to a business with SXG's specific characteristics;</li> <li>• you may believe that there is potential for a Superior Proposal to be made in the foreseeable future;</li> <li>• you may disagree with the Independent SXG Board Committee's unanimous recommendation or the Independent Expert's conclusion;</li> <li>• the tax consequences to you of the Scheme may not suit your current financial situation; and</li> <li>• the Scheme may be subject to Scheme Conditions that you consider unacceptable.</li> </ul>	Sections 4.3 and 4.4
<b>What are the risks associated with the Scheme?</b>	<p>Risks relating to the Scheme include:</p> <ul style="list-style-type: none"> <li>• fluctuation of the implied value of Scheme Consideration;</li> <li>• completion of the Scheme is subject to various Scheme Conditions;</li> <li>• the Scheme Implementation Agreement may be terminated;</li> <li>• court approval not being granted;</li> <li>• taxation costs may vary;</li> <li>• litigation may be brought by third parties, in connection with the Scheme; and</li> <li>• a superior proposal may emerge.</li> </ul> <p>Detailed disclosure of the risks relating to the Scheme is set out in Section 10.2. Other risks apply to the operations of the Combined Group including risks around exploration, mineral resources, development and production and regulatory risks. Further detail of risks applying to the Combined Group are contained in section 10.3.</p> <p>Further, if the Scheme is not approved and implemented, you will continue to be an SXG Shareholder and participate in the future financial performance of SXG's business and continue to be subject to the specific risks associated with SXG's business and other general risks. Risks if the Scheme does not proceed are outlined in section 10.4</p>	Section 10
<b>Scheme Consideration and value</b>		
<b>What will SXG Shareholders receive?</b>	SXG Shareholders will be issued by default one Mawson CDI (representing a beneficial interest in one Mawson Share) listed on the ASX in exchange for each of their SXG Shares or if they validly elect using a Share Election Form, one	Section 6

Question	Answer	More information
	<p>New Mawson Share listed on the TSXV in exchange for each of their SXG Shares.</p> <p>If you wish to make an election to receive New Mawson Shares, issued in book-entry form in the Direct Registration System, as your Scheme Consideration, you must request a Share Election Form from the SXG Shareholder Information Line and complete and return the Share Election Form in accordance with the instructions on that form so that it is received by the Share Registry by no later than 5:00 pm (Melbourne time) on Monday 16 December 2024.</p> <p>Note Ineligible Overseas Shareholders will be treated differently under the Scheme, as set out further below in this section.</p>	
<p><b>What is a CDI?</b></p>	<p>ASX uses an electronic system called CHESS for the clearance and settlement of trades on ASX.</p> <p>Mawson is incorporated in British Columbia, Canada, and the requirements of British Columbia law provide that registered shareholders have the right to receive a share certificate, but do not permit the CHESS system of holding uncertificated securities. Accordingly, to enable companies such as Mawson to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued.</p> <p>CDIs represent the beneficial interest in the underlying shares in a foreign company such as Mawson and are traded in a manner similar to shares of Australian companies listed on ASX.</p> <p>Each CDI will be equivalent to one Mawson Share.</p>	<p>Sections 6.3 and 6.4</p>
<p><b>Are SXG Shareholders being offered a premium?</b></p>	<p>No. The Scheme involves each SXG Shareholder (other than Ineligible Overseas Shareholders) effectively maintaining their same economic interest in SXG and its assets (albeit by holding a Mawson CDI or New Mawson Share).</p>	<p>Sections 4.2 and 6</p>
<p><b>When and how will I receive my Scheme Consideration?</b></p>	<p>You will receive your Scheme Consideration on the Implementation Date, which is expected to be Friday 27 December 2024, provided you are an SXG Shareholder (and listed on the Share Register as such) as at the Scheme Record Date (which is 7.00 pm on Wednesday 18 December 2024).</p> <p>Mawson will issue any Mawson CDIs or New Mawson Shares to you in accordance with the procedures in section 6 of this Scheme Booklet.</p>	
<p><b>What will happen in relation to my SXG Options and SXG Performance Rights?</b></p>	<p>At the date of this Scheme Booklet, Mawson intends to offer to exchange SXG Options and SXG Performance Rights for equivalent options and performance rights in Mawson, to be exchanged on a one-for-one basis. Any such exchange will be pursuant to a separate Options and Rights Exchange Agreement (in a form agreed by SXG and Mawson, each acting reasonably) with each holder of SXG Options or SXG Performance Rights. The exercise price for the SXG Options will remain in Australian dollars.</p>	<p>Section 1.2(c)</p>
<p><b>When can I start trading my Mawson CDIs on the ASX?</b></p>	<p>Any Mawson CDIs issued to you under the Scheme are expected to commence trading on the ASX on a deferred settlement basis from Tuesday 17 December 2024 and on a normal settlement basis on Monday 30 December 2024 (being the first Business Day after the Implementation Date), unless ASX requires a later date.</p>	<p>Section 5.2(i)</p>
<p><b>How will fractional entitlements be treated?</b></p>	<p>Any entitlements to a fraction of a Mawson CDI or New Mawson Share arising under the calculation of Scheme Consideration will be rounded up or down to the nearest Mawson CDI or New Mawson Share as applicable (and if the fractional entitlement would include one-half of a Mawson CDI or New Mawson Share, the entitlement will be rounded up). However, if the Mawson Share consolidation is implemented then the exchange ratio will be one for one and so no fractional entitlements will arise.</p>	<p>Section 6.6</p>
<p><b>What is an Ineligible Overseas Shareholder and how are they treated under the Scheme?</b></p>	<p>An Ineligible Overseas Shareholder is a Scheme Participant whose address (as shown in SXG's Share Register on the Scheme Record Date) is located outside of Australia (and its external territories), New Zealand, Canada, Hong Kong, Switzerland, European Union (Germany and Luxembourg) Liechtenstein, Singapore, United Kingdom, and United States and any other jurisdictions mutually agreed by SXG and Mawson.</p>	<p>Sections 1.2(b) and 6.9</p>

Question	Answer	More information
	Under the Scheme, Ineligible Overseas Shareholders will not be entitled to receive Mawson CDIs or New Mawson Shares. Mawson CDIs or New Mawson Shares that would otherwise be issued to these shareholders under the Scheme will be issued to a nominee of Mawson to be sold on TSXV or ASX, with the proceeds (after deducting applicable costs and charges) to be paid to the Ineligible Overseas Shareholder in Australian dollars.	
<b>Will I have to pay brokerage fees or stamp duty?</b>	No brokerage fees or Australian stamp duty will be payable by SXG Shareholders in relation to the disposal of their SXG Shares to Mawson under the Scheme (unless you are an Ineligible Overseas Shareholder, in which case fees may apply).	Section 4.2(h)
<b>Mawson and the Combined Group</b>		
<b>Who is Mawson?</b>	Mawson Gold Limited (TSXV: MAW) is a company listed on the TSX Venture Exchange in Canada and with its head office located in British Columbia, Canada. Mawson has distinguished itself as a leading Nordic exploration company. Over the last decades, the team behind Mawson has forged a long and successful record of acquiring, discovering, financing, and advancing precious and energy mineral projects in the Nordics and Australia. Mawson holds the Skellefteå North gold discovery and a portfolio of historic uranium resources in Sweden. Mawson also holds 48.67% of SXG Shares. The SXG Shares held by Mawson will form the only material asset of Mawson at the Effective Date of the Scheme. Prior to that date, Mawson intends to divest its assets other than its SXG Shares and cash, with the effect that SXG Shareholders will essentially gain an interest in the same assets as they do at present by means of their SXG Shares as a result of the Scheme.  Further details in relation to Mawson, including its board composition, is set out in Section 8.	Section 8
<b>How Mawson divest its current material assets, other than SXG Shares and cash?</b>	Prior to implementation of the Scheme, Mawson intends to undertake the Euro Canna Transaction to divest its Uranium Projects. Details about this transaction are contained in section 8.7 of this Scheme Booklet.	Section 8.7
<b>What is the Combined Group?</b>	The Combined Group will be the combination of the Mawson Group and SXG Group, comprised by Mawson and its Subsidiaries following implementation of the Scheme (as SXG will become a subsidiary of Mawson).  Details of the Combined Group immediately following implementation of the Scheme are detailed in section 9.2.	Section 9
<b>What are Mawson's intentions for SXG and the Combined Group if the Scheme is successful?</b>	Mawson intends to remove SXG from the official list of the ASX.  Mawson intends to continue the business of SXG in a similar manner as it is currently operating  Mawson's intention is to retain all employees of SXG.  Mawson intends to keep the assets and operations of SXG materially unchanged as a result of the Scheme.  It is intended that Mawson will be renamed to Southern Cross Gold Consolidated Ltd on completion of the Scheme. Mawson has reserved the ASX ticker "SX2" for its listing.	Sections 9.7 to 9.11
<b>Who will be the directors and senior management of the Combined Group?</b>	<b>Directors</b>  Following completion of the Transaction, the Board of Mawson will be reconstituted so that it comprises the current members of the SXG Board of directors (Tom Eadie as non-executive Chairman, Georgina Carnegie and David Henstridge as Non-executive Directors and Michael Hudson as Managing Director). An additional director may be drawn from the current Mawson Board of directors.  <b>Senior Management</b>  The combined group will be led by the current Australian management team of SXG, ensuring continuity and leveraging their expertise. The combined company will be led by Mr. Michael Hudson as President & CEO, Lisa Gibbons as General Manager and Kenneth Bush as Exploration Manager.	Sections 8.4 and 9.4

Question	Answer	More information
<b>Is a break fee payable by Mawson?</b>	Yes – a break fee of \$2 million is payable by Mawson, on the occurrence of specified events detailed further below in this Scheme Booklet.	Section 4.4(c)
<b>Voting at the Scheme Meeting</b>		
<b>What is the Scheme Meeting?</b>	The Scheme Meeting is the meeting of SXG Shareholders to vote on whether to approve the Scheme.	Section 3.2 and Annexure E
<b>When and where will the Scheme Meeting be held?</b>	The Scheme Meeting will be held at 11.00 am on Friday, 13 December 2024 at William Buck, Level 20, 181 William Street, Melbourne VIC 3000.  Further details about the Scheme Meeting are set out in the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet.	Sections 1.11 and 3.2 Annexure E
<b>What am I being asked to vote on?</b>	SXG Shareholders are being asked to vote in favour of, or against, the Scheme being implemented.  Important details on the matters to be voted on at the Scheme Meeting are set out in the Notice of Scheme Meeting in Annexure E.	Annexure E
<b>What majority is required to approve the Scheme?</b>	For the Scheme to be implemented, it is necessary that the Requisite Majority of SXG Shareholders vote in favour at the Scheme Meeting. This requires more than 50% in number of SXG Shareholders present and voting (by person or by proxy), and at least 75% of the total number of votes cast to vote in favour of the Scheme Resolution.	See definition of 'Requisite Majority' in section 13
<b>Am I entitled to vote?</b>	You can vote on the Scheme if you are a SXG Shareholder who is registered on the Share Register as the holder of a SXG Share at the Voting Entitlement Time (which is 7.00 pm on Wednesday 11 December 2024).	Sections 1.10 and 3.3
<b>Is voting compulsory?</b>	Voting is not compulsory. The voting approval threshold for the Scheme (the 'Requisite Majority') is determined on the basis of SXG Shareholders who are <b>present and voting</b> at the Scheme Meeting.	See definition of 'Requisite Majority' in section 13
<b>How can I vote if I cannot physically attend the Scheme Meeting?</b>	To appoint a proxy to vote on your behalf, please complete and lodge the Proxy Form accompanying this Scheme Booklet either online at <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> using your secure access information found on your Proxy Form, by scanning the personalised QR code located on the Proxy Form or by mail to the address listed on the Proxy Form.  You can also vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney.  Proxy Forms, powers of attorney or appointments of corporate representatives for the Scheme Meeting are due by 11.00 am on Wednesday 11 December 2024.	Section 3.4 and Annexure E
<b>When will the result of the Scheme Meeting be known?</b>	The results of the Scheme Meeting will be announced during the Scheme Meeting and to ASX shortly after the conclusion of the Scheme Meeting.  The Scheme will only proceed if the Court also provides its approval and all the other Scheme Conditions for the Scheme are satisfied or waived.	Sections 5.2(c), 5.3 and 5.4
<b>How do I oppose the approval of the Scheme?</b>	If you do not support the Scheme, your options are: <ul style="list-style-type: none"> <li>• to attend the Scheme Meeting in person, or by proxy, and vote against the Scheme being implemented; and/or</li> <li>• if the Scheme is approved by the other SXG Shareholders and you vote against the Scheme Resolution, then you may wish to oppose the approval by filing and serving a notice of opposition and any other supporting documents on SXG at least three days before the Second Court Date and attending the Second Court Hearing.</li> </ul>	Section 3

<b>Tax implications</b>		
<b>What are the Australian tax implications of the Scheme for SXG Shareholders?</b>	<p>A summary of the general Australian income tax, stamp duty and GST consequences for SXG Shareholders who participate in the Scheme is set out in section 11 of this Scheme Booklet.</p> <p>Your tax position will depend on your particular circumstances. You are urged to consult your own professional tax adviser as to the specific tax consequences to you of the Scheme, including the applicability and effect of income tax and other tax laws in your particular circumstances.</p>	Section 11
<b>Am I entitled to scrip-for-scrip roll-over relief?</b>	<p>Australian resident SXG Shareholders who would otherwise make a capital gain on the disposal of their SXG Shares under the Scheme should be eligible to choose CGT roll-over relief.</p> <p>The tax consequences of the Scheme will differ for each SXG Shareholder, who should consult their own professional tax advisers to seek advice that considers their individual circumstances.</p>	Section 11.2
<b>Further questions</b>		
<b>Who can I contact if I have further questions in relation to this Scheme Booklet or the Scheme?</b>	<p>If you have any further questions of a <b>general nature</b> in relation to this Scheme Booklet, the Scheme or any related matter, then you may call the SXG Shareholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8.30am and 5.00pm (Melbourne time) or alternatively you can send an email to Open Engagement at <a href="mailto:brendan@openengagement.au">brendan@openengagement.au</a>.</p> <p>For more specific advice relating to your own circumstances, please contact your legal, investment or other professional adviser.</p>	Section 1.15

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### **3. How to vote**

#### **3.1 What you should do**

You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

SXG Shareholders should refer to section 4 of this Scheme Booklet for further guidance on the reasons to vote for and against the Scheme. However, as noted elsewhere in this document, this Scheme Booklet does not take into account the investment objectives, financial situation and particular needs of any individual SXG Shareholder.

If you have any general questions relating to the Scheme, please call the SXG Shareholder Information Line on 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8.30am and 5.00pm (Melbourne time) or alternatively you can send an email to Open Engagement at [brendan@openengagement.au](mailto:brendan@openengagement.au).

If you require further advice in relation to the Scheme, contact your financial or other professional adviser.

#### **3.2 Scheme Meeting**

The Scheme Meeting is scheduled to be held at 11.00 am on Friday 13 December 2024 at William Buck, Level 20, 181 William Street, Melbourne VIC 3000.

Further details about the Scheme Meeting are set out in the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet.

Any change will be announced by SXG to the ASX.

For the Scheme to be implemented, it is necessary that the Requisite Majority of SXG Shareholders vote in favour of the resolution to approve the Scheme at the Scheme Meeting.

You should note that even if the Scheme is approved by the Requisite Majority of SXG Shareholders, it is possible that the Scheme may not proceed to be implemented. This may occur if the Scheme Conditions are not satisfied or waived.

#### **3.3 Entitlement to vote**

Each SXG Shareholder (other than Mawson and its Subsidiaries) who is registered on the Share Register as the holder of a SXG Share at the Voting Entitlement Time (which is 7.00 pm on Wednesday 11 December 2024) is entitled to attend and vote at the Scheme Meeting, either personally or by proxy, attorney or corporate representative.

Each SXG Shareholder will have one vote for each SXG Share they hold.

In the case of SXG Shares held by joint holders, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in relation to jointly held SXG Shares, only the vote of the shareholder whose name appears first on the Share Register will be counted.

Details about the permitted methods of voting are set out in section 3.4 and in the Notice of Scheme Meeting contained in Annexure E of this Scheme Booklet.

#### **3.4 How to vote**

Voting on the Scheme Resolution will be conducted by way of a poll.

If you are a SXG Shareholder entitled to vote at the Scheme Meeting, you may vote:

- (a) **in person:** by attending and voting in person;
- (b) **by proxy:** by lodging your Proxy Form either online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information found on your Proxy Form, by scanning the personalised QR code located on the Proxy Form or by mail to the address listed on the Proxy Form (refer to the instructions contained in the Proxy Form for further information) so that it is received by 11.00 am on Wednesday 11 December 2024;
- (c) **by attorney:** by appointing an attorney to attend the Scheme Meeting and vote on your behalf, using a duly executed power of attorney so that it is received by 11.00 am on Wednesday 11 December 2024; or
- (d) **by corporate representative:** in the case of a body corporate, appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using a duly executed certificate of appointment of body corporate representative.

Further information on how to vote using each of these methods is contained in the Notice of Scheme Meeting contained in Annexure E to this Scheme Booklet.

**The Scheme will not be implemented unless the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majorities.**

## 4. Considerations relevant to your vote

### 4.1 Reasons to vote in favour of the Scheme

This section summarises the reasons why the Independent SXG Board Committee has determined to unanimously recommend that SXG Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.<sup>8</sup>

#### (a) Unanimous recommendation

The Independent SXG Board Committee believe that the Scheme is in the best interests of SXG Non-Associated Shareholders and unanimously recommend that SXG Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.<sup>9</sup> Subject to these same qualifications, each Independent SXG Director intends to cause any SXG Shares in which they have a Relevant Interest to be voted in favour of the Scheme.

In arriving at their recommendation, the Independent SXG Board Committee have considered the advantages and disadvantages of the Scheme, including information contained in the following sections:

- section 4.1 (reasons to vote in favour of the Scheme);
- section 4.2 (potential advantages of the Scheme);
- section 4.3 (potential disadvantages of the Scheme);
- section 4.4 (other key considerations relevant to voting on the Scheme); and
- sections 10 and 11 (risk factors and taxation implications).

Michael Hudson, who is the Managing Director of SXG, also considers the Scheme to be in the best interests of SXG Non-Associated Shareholders and recommends that SXG Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders. Subject to these same qualifications, Mr Hudson intends to vote, or procure the voting of, any SXG Shares in which he has a Relevant Interest in favour of the Scheme. Details of Mr Hudson's interests in SXG and Mawson are set out in section 12.1 of this Scheme Booklet.<sup>10</sup>

<sup>8</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

<sup>9</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

<sup>10</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions

SXG Shareholders should seek professional advice on their individual circumstances, as appropriate.

(b) **Considerations by the Independent SXG Board Committee in recommending the Scheme**

In considering and recommending the Scheme, the Independent SXG Board Committee considered, among other things, the advantages and disadvantages of the Scheme outlined in sections 4.2 and 4.3 of this Scheme Booklet and summarised below.

**Advantages**

- (i) Simplification of corporate structure;
- (ii) Enhanced access to capital markets;
- (iii) Expected institutional support;
- (iv) Resolution of perceived major shareholder overhang;
- (v) Improving SXG Shareholder voting enfranchisement;
- (vi) Cost reduction and share fungibility;
- (vii) Management and board continuity; and
- (viii) No brokerage or stamp duty payable.

**Disadvantages**

The Independent SXG Board Committee has identified the following potential disadvantages of the Scheme.

- (i) Transaction costs of implementing the scheme;
- (ii) Change in legal jurisdiction;
- (iii) Ineligible Overseas Shareholders will not be able to receive Mawson CDIs or New Mawson Shares;
- (iv) The future value of Mawson CDIs and New Mawson Shares after the Scheme is implemented may shift with the market and investor sentiment and as such is considered uncertain;
- (v) There are risks relating to the Scheme;
- (vi) You may wish to maintain your current investment profile and exposure to a business with SXG's specific characteristics;
- (vii) You may believe that there is potential for a Superior Proposal to be made in the foreseeable future;
- (viii) You may disagree with the Independent SXG Board Committee' unanimous recommendation or the Independent Expert's conclusion;

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that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

- (ix) The tax consequences of the Scheme may not suit your current financial situation; and
  - (x) The Scheme may be subject to Scheme Conditions that you consider unacceptable.
- (c) **The Independent Expert has concluded that the Scheme is in the best interests of SXG Non-Associated Shareholders**

The Independent SXG Board Committee appointed Grant Thornton Australia as the Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the advantages of the Scheme outweigh the disadvantages and whether the Scheme is in the best interests of SXG Shareholders.

The Independent Expert has concluded that the advantages of the Scheme outweigh the disadvantages and the Scheme is in the best interests of SXG Non-Associated Shareholders.

A copy of the Independent Expert's Report is included in Annexure A of this Scheme Booklet. The Independent SXG Board Committee encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether to vote in favour or to vote against the Scheme.

- (d) **Since the announcement of the Scheme, no Superior Proposal has emerged**

The Scheme Implementation Agreement prohibits SXG from soliciting or, other than in certain circumstances, entertaining an unsolicited Competing Transaction. SXG may respond to any bona fide approach by a prospective purchaser where the SXG Directors determine (acting in good faith and after taking advice from SXG's external advisers) that such approach would lead to a Superior Proposal and where failure to do so would be reasonably likely to involve a breach of the duties of the SXG Directors. SXG would be required to notify Mawson of its intention to respond to such approach and provide Mawson with any confidential information concerning SXG that it intended to provide to the prospective purchaser.

As at the date of this Scheme Booklet, no Competing Transaction has emerged, neither SXG nor any of SXG's advisors are aware of any Competing Transaction and there are no third-party discussions underway with SXG (or its advisers) in relation to a Competing Transaction. SXG will notify SXG Shareholders if a Superior Proposal is received before the Second Court Date.

## **4.2 Advantages of the Scheme**

SXG Shareholders should carefully consider the following advantages and disadvantages of the Scheme, as well as the associated risks including those outlined in section 10, in deciding whether or not to vote in favour of the Scheme.

If the Scheme does not receive the Requisite Majority and therefore does not proceed, then the Mawson Group cannot realise or benefit from the advantages identified in this section 4.2, but at the same time the disadvantages identified in Section 4.3 (other than the costs identified in Section 4.4(d)) will not arise.

As noted in Section 4.1(b), the Independent SXG Board Committee considered both the advantages and disadvantages of the Scheme as part of the process they undertook to make the recommendation to recommend the Scheme.<sup>11</sup>

(a) **Simplification of Corporate Structure**

The Scheme will streamline the Combined Group's corporate structure by achieving a dual listing of the parent company, Mawson, which is incorporated in Canada and delisting what will become the Australian subsidiary company, SXG. This will result in a more aligned and simplified group structure. Mawson has applied for registration as a foreign company in Australia.

The more transparent and institutional-investible structure created by the Scheme may lead to a positive revaluation of SXG's assets, reducing the cost of capital to develop the key assets of the group.

(b) **Enhanced Access to Capital Markets**

The continued listing of Mawson's shares on TSXV offers expanded access to the significant North American capital markets, which have an interest in mining projects and mining companies and which are larger and more diverse than the Australian capital market.

Approximately 52.2% of SXG's current shareholder base is situated offshore (including Mawson, which represents approximately 48.67% of the shareholder base). The dual listing will enable both Australian and North American investors to invest in SXG.

Given the already significant proportion of SXG investors in North America, SXG believes this shareholder base is more likely to hold and further invest in a company with a "local" listing than in a company listed primarily in Australia. The Scheme may therefore give SXG access to a more diverse pool of capital and investors who could not or were unlikely to invest in non-Canadian or US securities, potentially leading to the Combined Group being more accessible to a number of investors.

The enhanced access to capital markets could also enable future growth of SXG to be financed at a lower cost.

Goldfields in Victoria have experienced marked capital growth in the last 7 years, notably from the Fosterville gold mine's success in the Canadian markets since 2016. Investors in this and other Australian gold mining companies have benefitted from this capital growth, including a large investor base in North America.

The Scheme, if completed, may result in Mawson being included in various global indices across North America and Australia, thereby potentially increasing the Combined Group's liquidity, market presence and media coverage. The enhanced market presence could improve the Combined Group's ability to raise capital at a lower cost of capital for its subsidiaries including SXG and, in turn, help accelerate growth of SXG's projects.

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<sup>11</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

**(c) Institutional Support**

If the Scheme is completed it is expected to transition SXG Shareholders to a more institutionally dominated and supportive register in the Combined Group, with a shift from the 17% current institutional ownership in SXG (excluding Mawson) to over 50% of high net worth and institutional shareholders in the Combined Group (based on current Mawson Shareholders).

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.

**(d) Resolution of perceived Major Shareholder Overhang**

The Scheme will address the perceived major shareholder overhang resulting from Mawson's current controlling shareholding in SXG, a scenario in which large blocks of shares and their potential release can create a perception of oversupply in the market. Reduction of such shareholder overhang may improve market sentiment.

**(e) Improving SXG Shareholder voting enfranchisement**

At present, Mawson holds 48.67% of SXG Shares which gives it practical control, and it can effectively determine important matters such as the composition of SXG's board of directors, which can be changed by ordinary resolution. SXG Shareholders other than Mawson do not at present have an ability to determine these matters in a manner that Mawson's board of directors does not agree with.

The Scheme will result in SXG Shareholders becoming shareholders of Mawson and having rights to vote in relation to the composition of the board of Mawson, which will improve their effective voting rights in relation to the future of SXG's assets and projects.

**(f) Cost Reduction and Share Fungibility**

Consolidating two separate companies with two listings should result in cost savings at the corporate level, including the elimination of some duplicated functions.

It will also allow for the fungibility of shares between the North American and Australian stock exchanges, benefiting shareholders.

**(g) Management and Board Continuity**

The Combined Group will be led by the current successful Australian management team and Board of SXG, ensuring continuity and leveraging their expertise. The Combined Group will be led by Mr. Tom Eadie as Non-Executive Chairman and Mr. Michael Hudson as President & CEO.

**(h) No brokerage or stamp duty will be payable by you for the transfer of your SXG Shares under the Scheme**

If the Scheme is implemented, SXG Shareholders will not incur any brokerage or stamp duty on the transfer of SXG Shares to Mawson under the Scheme (unless you are an Ineligible Overseas Shareholder, in which case selling fees may apply to the sale proceeds before they are distributed to you).

For SXG Shareholders, it is possible that such charges may be incurred if SXG Shares are transferred other than under the Scheme.

### 4.3 Potential disadvantages of the Scheme

In the absence of a Superior Proposal, the Independent SXG Board Committee unanimously recommends that SXG Shareholders vote in favour of the Scheme and the Independent Expert has concluded that the Scheme is in the best interests of SXG Non-Associated Shareholders.<sup>12</sup> However, you may hold a different view from, and are not obliged to follow the recommendation of, the Independent SXG Board Committee and may not agree with the Independent Expert's conclusion.

#### (a) Transaction costs of implementing the scheme

The Scheme, if approved, will result in additional costs required to complete the transaction (including listing fees payable by Mawson to ASX). It is noted, however, that Mawson has incurred or will incur some of these additional costs regardless of whether or not the Scheme is approved. These costs include advisor fees and fees payable to regulatory authorities like ASX and ASIC. The total estimate of these costs is about A\$1.4 million.

#### (b) Change in legal jurisdiction

Upon completion of the Scheme, Scheme Participants will become security holders in Mawson, a British Columbia, Canada, company. SXG Shareholders might not be familiar with the laws of British Columbia, to which Mawson is subject.

Currently, Australian resident SXG Shareholders wishing to take action to enforce the provisions of SXG's constitution or corporations or securities laws as they relate to SXG may take action in Australian courts, applying Australian law. After implementation of the Scheme, any such actions in relation to SXG will be determined in accordance with Canadian laws. Some SXG Shareholders may not be familiar with the Canadian laws and regulations to which Mawson will be subject and should refer to Schedule 1 for an overview.

Further, Mawson, as a company incorporated in British Columbia, Canada, will not be subject to most of the provisions of the Corporations Act (which SXG is currently subject to) and instead will be subject to the corporate laws applicable in British Columbia, Canada.

In some respects, British Columbia laws provide less regulation and afford lesser protection for shareholders. A non-exhaustive comparison of the rights of holders of SXG Shares and the rights of holders of Mawson Shares is set out in Schedule 1

#### (c) Ineligible Overseas Shareholders will not be able to receive Mawson CDIs or New Mawson Shares

An Ineligible Overseas Shareholder will not be entitled to receive Mawson CDIs or New Mawson Shares. Mawson CDIs or New Mawson Shares that would otherwise be issued to the Ineligible Overseas Shareholder under the Scheme will be issued to a nominee of Mawson to be sold on TSXV or ASX. Mawson's nominee will then remit the net proceeds of the sale received (after deducting any applicable brokerage, stamp duty and other costs, taxes and charges) to each Ineligible Overseas Shareholder an amount equal to the proportion of the net proceeds of sale received

<sup>12</sup> Each SXG Director holds SXG Options pursuant to the Employee security ownership plan involving SXG Options issued to directors and employees of SXG. SXG Directors who hold SXG Options will be asked to enter into an Options Exchange agreement with SXG and Mawson and will receive New Mawson Options under the agreement, as would be the case with (and on identical terms as) any other holder of SXG Options. The terms of the SXG Options do not contain any vesting conditions that will be affected or triggered by the Scheme. The SXG Directors consider that, despite these arrangements, it is appropriate for them to make recommendations on the Scheme Resolution.

by Mawson to which that Ineligible Overseas Shareholder is entitled, in satisfaction of their entitlement to the Scheme Consideration.

Ineligible Overseas Shareholders should refer to Section 1.2(b) on what they will receive under the Scheme.

- (d) **The future value of Mawson CDIs and New Mawson Shares after the Scheme is implemented may shift with the market and investor sentiment and as such is considered uncertain**

If the Scheme becomes Effective and is implemented, Scheme Participants (other than Ineligible Overseas Shareholders) will receive Mawson CDIs or if they elect, New Mawson Shares. At this point, the trading value of Mawson CDIs and New Mawson Shares will depend on the price at which Mawson CDIs are trading on ASX and the price at which New Mawson Shares are trading on TSXV. This price may rise or fall depending on market conditions and the financial and operational performance of the Combined Group and its movements are uncertain.

- (e) **There are multiple risks relating to the Scheme**

There is a risk that Mawson's share price could change materially.

You should read section 8 of the Scheme Booklet which summarises the business operations and strategy of Mawson, to understand what additional businesses and assets you will be exposed to if you become a Mawson Shareholder or CDI Holder on implementation of the Scheme.

Additionally, there are a number of risks specific to the Combined Group, which are described in further detail in section 10 of the Scheme Booklet and which may affect the value of New Mawson Shares and Mawson CDIs.

SXG Shareholders should consider these risks before deciding whether to vote in favour of the Scheme. The Independent SXG Board Committee note that some of these risks are in part mitigated by the current ownership structure involving Mawson holding 48.67% of the issued SXG Shares. Potential changes to the capital structure of the Combined Group are discussed in section 9.5(a) of this Scheme Booklet.

- (f) **You may wish to maintain your current investment profile and exposure to a business with SXG's specific characteristics**

SXG Shareholders may wish to keep their SXG Shares and preserve their investment in a publicly listed company with SXG's specific characteristics.

SXG Shareholders should read this Scheme Booklet carefully to understand the implications of the Scheme and should seek investment, legal or other professional advice in relation to their own circumstances. Further information about the Combined Group can be found at section 9 of the Scheme Booklet.

- (g) **You may believe that there is potential for a Superior Proposal to be made in the foreseeable future**

Since SXG and Mawson entered into the Scheme Implementation Agreement on 30 July 2024 through to the date of this Scheme Booklet, no Competing Transaction has emerged. However, SXG Shareholders may consider that a Superior Proposal with better long-term prospects for the SXG businesses could emerge in the foreseeable future. The Scheme becoming Effective and being implemented will mean that existing SXG Shareholders will not receive the benefit of any such Superior Proposal.

The Scheme Implementation Agreement prohibits SXG from soliciting or, other than in certain circumstances, entertaining an unsolicited Competing Transaction. SXG may respond to any bona fide approach by a prospective purchaser where the SXG Directors determine (acting in good faith and after taking advice from SXG's external advisers) that such approach would lead to a Superior Proposal and where failure to do so would be reasonably likely to involve a breach of the duties of the SXG Directors. SXG would be required to notify Mawson of its intention to respond to such approach and provide Mawson with any confidential information concerning SXG that it intended to provide to the prospective purchaser.

SXG will notify SXG Shareholders if a Superior Proposal is received before the Second Court Date.

(h) **You may disagree with the Independent SXG Board Committee' unanimous recommendation or the Independent Expert's conclusion**

You may disagree with the conclusion of the Independent Expert, who has determined that the Scheme is in the best interests of SXG Non-Associated Shareholders.

Similarly, you may disagree with the unanimous recommendation of the Independent SXG Board Committee to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.

(i) **The tax consequences of the Scheme may not suit your current financial situation**

Implementation of the Scheme may trigger different or adverse tax consequences for certain SXG Shareholders. The tax treatment may vary depending on the nature and characteristics of each SXG Shareholder and their specific circumstances. The tax consequences of the Scheme may not suit an individual SXG Shareholder's financial position. SXG Shareholders should seek financial, tax and other professional advice as necessary for their specific circumstances.

SXG Shareholders should read the tax implications of the Scheme outlined in section 11 of the Scheme Booklet, which is general in nature and SXG Shareholders should consult with their professional tax adviser regarding their particular circumstances.

(j) **The Scheme may be subject to Scheme Conditions that you consider unacceptable**

In addition to SXG Shareholder approval and Court approval, the implementation of the Scheme is subject to a number of other Scheme Conditions. If these Scheme Conditions are not satisfied or waived (as applicable), the Scheme will not be implemented and SXG Shareholders will not receive the Scheme Consideration.

The Scheme Conditions are summarised in section 5.3 of this Scheme Booklet and are set out in full in clause 2.1 of the Scheme Implementation Agreement and clause 3.1 of the Scheme. You may consider those conditions to be unacceptable. However, you should note that the Scheme will not be implemented unless those conditions are satisfied or waived.

#### **4.4 Other key considerations in relation to voting on the Scheme**

SXG Shareholders should also consider the following additional considerations in determining how to exercise their vote at the Scheme Meeting:

(a) **The value of the Mawson CDIs and Mawson Shares may fluctuate after the Implementation Date**

Some Scheme Participants may not wish to continue to hold their Mawson CDIs or New Mawson Shares and may sell them on the ASX or TSXV soon after the Implementation Date. The value that Scheme Participants may realise on the sale of their Mawson CDIs or New Mawson Shares will depend on the price at which Mawson CDIs and Mawson Shares trade on the ASX and TSXV respectively after the Implementation Date. Should the value of Mawson CDIs / Mawson Shares fall after the Implementation Date, Scheme Participants may realise a lower value on the sale of their Mawson CDIs / New Mawson Shares.

(b) **The Scheme may be implemented even if you vote against the Scheme or do not vote at all. It is an “all-or-nothing” proposal**

Even if you vote against the Scheme or do not vote at all, the Scheme may still be implemented if it is approved by the Requisite Majority of SXG Shareholders and the Court and all of the other Scheme Conditions to the Scheme are either satisfied or waived. If this occurs:

- (i) the Scheme will bind all SXG Shareholders, including those who did not vote on the Scheme Resolution and those who voted against it;
- (ii) on the Implementation Date, your SXG Shares will be transferred to Mawson and you will receive the Scheme Consideration;
- (iii) SXG will become a wholly-owned subsidiary of Mawson; and
- (iv) SXG will be delisted from the ASX.

(c) **Break fees**

The Scheme Implementation Agreement provides for a break fee of \$1 million to be payable by SXG and a reverse break fee of \$2 million to be payable by Mawson in certain circumstances.

The respective break fees are payable on the occurrence of the following mutual triggers.

- (i) **Change of board recommendation:** Withdrawal or adverse modification of a Director recommendation that SXG Shareholders vote in favour of the Scheme or that Mawson Shareholders vote in favour of the Mawson resolutions relating to the Scheme (as applicable);
- (ii) **Competing proposal completes:** a third party makes a Competing Proposal, as a result of which it directly or indirectly acquires a relevant interest in 20% or more of SXG Shares or Mawson Shares (as applicable), acquires control, acquires an interest in a substantial part of the business or otherwise acquires or merges with SXG or Mawson (as applicable);
- (iii) **Material breach:** a party is entitled to terminate the Scheme Implementation Agreement and has done so, due to a material breach of the agreement by the other party;
- (iv) **Breach of certain conditions:** where there is a breach or non-fulfilment of conditions in the Scheme Implementation Agreement relating to prescribed events and representations and warranties; and

- (v) **Termination for superior proposal:** a party has terminated the Scheme Implementation Agreement due to the receipt of a competing proposal which the board of the relevant party has determined to be more favourable than the Scheme.

In each case, the break fee payable is a fixed amount which is intended to compensate for advisory costs, cost of management and director's time, expenses and opportunity costs. The full descriptions of the break fee and triggering events is contained in clause 15 of the Scheme Implementation Agreement, which was announced to ASX on 31 July 2024 and can be accessed on the ASX website (<https://www.asx.com.au/>) under SXG's company announcements.

(d) **Transaction costs**

As at the date of this Scheme Booklet, SXG has incurred (or expects to incur) costs of approximately \$820,000 (excluding GST and disbursements) in developing the Scheme so that it is capable of being submitted to SXG Shareholders for consideration.

(e) **Conditionality of the Scheme**

Implementation of the Scheme is subject to the satisfaction or waiver of a number of Scheme Conditions. If the Scheme Conditions are not satisfied or waived by their Relevant Dates, the Scheme will not proceed (in which case SXG Shareholders will not receive the Scheme Consideration).

(f) **Implications for SXG Shareholders if the Scheme is not implemented**

- (i) **(No Scheme Consideration):** If the Scheme is not implemented, each SXG Shareholder will retain their SXG Shares and will not receive any Scheme Consideration.
- (ii) **(Remain listed):** If the Scheme is not implemented, SXG will remain listed on the ASX. SXG Shareholders will continue to be exposed to the risks and benefits of owning SXG Shares.

(g) **Deemed warranties by Scheme Participants**

The effect of the Scheme is that all Scheme Participants, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted to Mawson (and have authorised SXG to warrant to Mawson as agent and attorney for the Scheme Participant), that, as at the Implementation Date, their SXG Shares are fully paid and free from all encumbrances and that the Scheme Participant has the power to sell their SXG Shares to Mawson under the Scheme. The terms of the warranties are set out in clause 5.6 of the Scheme and are summarised in section 5.9 of this Scheme Booklet. The Scheme is set out in Annexure C.

You should ensure that these warranties can be given by you prior to, and remain correct as at, the Implementation Date.

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## 5. Implementation of the Scheme

### 5.1 Introduction

The Scheme is a scheme of arrangement under Part 5.1 of the Corporations Act. A scheme of arrangement is commonly used to give effect to the merger of two companies.

The key terms of the Scheme, if approved and implemented, will involve:

- (a) the acquisition by Mawson on the Implementation Date of all SXG Shares not already held by Mawson as at the Scheme Record Date; and
- (b) the provision of the Scheme Consideration to Scheme Participants who hold SXG Shares at the Scheme Record Date.

This section explains the steps involved in implementing the Scheme (a copy of which is contained in Annexure C).

### 5.2 Steps in implementing the Scheme

#### (a) Scheme Implementation Agreement

On 31 July 2024, SXG and Mawson announced that they had entered into the Scheme Implementation Agreement which sets out each of SXG and Mawson's rights and obligations in connection with the implementation of the Scheme.

The Scheme Implementation Agreement (excluding annexures) can be accessed on the ASX website at [www.asx.com.au](http://www.asx.com.au). Certain key aspects of the Scheme Implementation Agreement are summarised in this section 5 of this Scheme Booklet.

#### (b) Deed Poll

On 4 November 2024, Mawson executed the Deed Poll in favour of each Scheme Participant, pursuant to which Mawson agreed to perform its obligations under the Scheme and to otherwise comply with the Scheme as if Mawson was a party to the Scheme.

The key obligation of Mawson under the Scheme is to provide the Scheme Consideration to each Scheme Participant subject to satisfaction or waiver of the Scheme Conditions.

A copy of the Deed Poll is set out in Annexure D.

#### (c) Scheme Meeting

On Tuesday 12 November 2024, the Court ordered that SXG convene a meeting of SXG Shareholders to consider and vote on the Scheme. The Court ordered that the Scheme Meeting be held at 11.00 am on Friday 13 December 2024.

Instructions on how to attend and vote at the Scheme Meeting are set out in section 3 of this Scheme Booklet and in the Notice of Scheme Meeting in Annexure E.

#### ***No endorsement by the Court***

The fact that under section 411(1) of the Corporations Act the Court ordered on Tuesday 12 November 2024 that a meeting of the SXG Shareholders be convened by SXG to consider and vote on the Scheme does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how SXG Shareholders should vote (on this matter, SXG Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of this Scheme Booklet.

***Required majority to pass resolutions***

For the Scheme to be implemented, it is necessary that the Requisite Majority of SXG Shareholders vote in favour of the resolution to approve the Scheme at the Scheme Meeting.

If the Requisite Majority of SXG Shareholders approve the Scheme at the Scheme Meeting, the result of the Scheme Meeting will be announced during the Scheme Meeting and to the ASX shortly after conclusion of the Scheme Meeting.

(d) **Second Court Hearing**

In order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court at the Second Court Hearing in accordance with section 411(4)(b) of the Corporations Act.

***Apply for approval***

If the Scheme is approved at the Scheme Meeting by the Requisite Majority, SXG intends to apply to the Court for the necessary orders approving the Scheme.

The Court has an overriding discretion whether or not to approve the Scheme under section 411(4)(a)(ii)(A) of the Corporations Act and can, for example, disregard the Headcount Test. SXG reserves the right to apply to the Court at the Second Court Hearing to approve the Scheme even if the Headcount Test is not satisfied.

If the Scheme is approved at the Scheme Meeting by the Requisite Majority, but not subsequently approved by the Court at the Second Court Hearing, then the Scheme will not proceed.

***Opposing the Scheme***

Each SXG Shareholder has the right to seek leave to appear at Court at the Second Court Hearing and be heard in respect of the Scheme.

The Second Court Hearing is scheduled to be held at on Monday 16 December 2024 at 2.00 pm in the Supreme Court of NSW. Information on attending the Second Court Hearing will be released on ASX if the Scheme is approved by SXG Shareholders at the Scheme Meeting.

If you want to object to approval of the Scheme by the Court at the Second Court Hearing, you must file with the Court and serve on SXG a notice of appearance in the prescribed form together with any affidavit that you propose to rely on at the hearing.

The notice of appearance and affidavit must be served on SXG at its address for service at least three days before the Second Court Hearing. The postal address for service is C/- JM Corporate Services, Level 21 459 Collins Street Melbourne VIC 3000.

**(e) Record dates*****Determination of entitlement to Scheme Consideration***

SXG Shareholders (other than Mawson and its Subsidiaries) will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of SXG Shares on the Scheme Record Date.

The Scheme Record Date is currently proposed to be 7.00 pm on Wednesday 18 December 2024.

In this Scheme Booklet, SXG Shareholders as at the Scheme Record Date (other than Mawson and its Subsidiaries) are referred to as 'Scheme Participants'.

From the Scheme Record Date (and other than for Mawson following the Implementation Date), the Share Register will close for transfers and all holding statements for SXG Shares (other than holding statements in favour of Mawson and its Subsidiaries) will cease to have effect as documents of title. Each entry on the Share Register on the Scheme Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

**(f) Effective Date**

If the Court approves the Scheme at the Second Court Hearing, SXG will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court order approving the Scheme. SXG intends to lodge the office copy of the Court order with ASIC on the Effective Date, which is expected to be Monday 16 December 2024.

If the Scheme Conditions are satisfied or waived, the Scheme will legally come into effect on the Effective Date.

If the Scheme has not become Effective or the relevant Scheme Conditions have not been satisfied or waived by 30 December 2024, or such later date as SXG and Mawson agree in writing (being the End Date), the Scheme will lapse and be of no further force or effect.

**(g) Implementation Date**

The Implementation Date of the Scheme is the date which is 5 Business Days after the Scheme Record Date or such other date as agreed by SXG and Mawson. The Implementation Date is currently proposed to be Friday 27 December 2024.

If the Scheme becomes Effective, on the Implementation Date:

- all SXG Shares held by Scheme Participants will be transferred to Mawson without any further action required by Scheme Participants;
- all Scheme Participants (other than Ineligible Overseas Shareholders) will receive the Scheme Consideration. Holders of Mawson CDIs will have their name entered in the Register of CDI Holders and holders of New Mawson Shares will have their names entered on the Mawson Register;
- SXG will enter the name of Mawson in the Share Register in respect of the SXG Shares it does not already own; and
- SXG will become a wholly-owned subsidiary of Mawson.

More information about the provision of the Scheme Consideration on the Implementation Date is set out in section 6.4 of this Scheme Booklet.

**(h) Suspension and delisting**

If the Scheme becomes Effective, SXG will apply to the ASX to suspend trading on the ASX in SXG Shares with effect from the close of trading on the Effective Date.

After the Implementation Date of the Scheme, SXG will apply to the ASX for termination of the official quotation of SXG Shares on the ASX and to have itself removed from the official list of the ASX.

**(i) Trading in Mawson CDIs**

Mawson will seek confirmation from the ASX that, from the Business Day after the Effective Date (or any later date as the ASX requires), the Mawson CDIs will be listed for quotation on the official list of the ASX. Mawson has requested that ASX grant approval for use of the ASX ticker code "SX2" for Mawson CDIs.

The Mawson CDIs are expected to commence trading on the ASX, initially on a deferred settlement basis from Tuesday 17 December 2024, and on a normal settlement basis from Monday 30 December 2024.

The exact number of Mawson CDIs to be issued to each Scheme Participant (other than Ineligible Overseas Shareholders) will not be known until after the Scheme Record Date and will not be confirmed to each relevant Scheme Participant until they receive their holding statements following the Implementation Date. It is the responsibility of each relevant Scheme Participant to confirm their holdings of Mawson CDIs / New Mawson Shares (as applicable) before they trade them, to avoid the risk of committing to sell more than will be issued to them.

**5.3 Scheme Conditions**

The Scheme will not proceed unless all the Scheme Conditions are satisfied or waived (if capable of being waived) in accordance with the Scheme Implementation Agreement or Scheme (as applicable).

The Scheme Conditions are set out in clause 2.1 of the Scheme Implementation Agreement and clause 3.1 of the Scheme.

The Scheme Conditions are summarised below. Capitalised terms in the table below are defined in the Scheme Implementation Agreement.

Condition	Party entitled to benefit	Responsibility to satisfy
(e) <b>ASIC, ASX, and TSXV approvals:</b> 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, cancelled or revoked as	Both	In respect of each agreed consent, waiver or approval, the party who has the legal obligation to obtain it

Condition	Party entitled to benefit	Responsibility to satisfy
at 8.00am on the Second Court Date.		
(f) <b>Other approvals:</b> before 8:00am on the Second Court Date all Regulatory Approvals other than those referred to in clause 1.1(e) 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, cancelled or revoked 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
(g) <b>SXG Options and Performance Rights:</b> before 8.00am on the Second Court Date each holder of SXG Options or SXG Performance Rights has either: <ul style="list-style-type: none"> <li>(i) exercised the SXG Options or SXG Performance Rights held by them, in accordance with their terms; or</li> <li>(ii) entered into an Options and Rights Exchange Agreement,</li> </ul> so that all SXG Options and SXG Performance Rights will have either lapsed, been exercised or cancelled in accordance with clause 4.3 of the Scheme Implementation Agreement.	Mawson	Both
(h) <b>No restraints:</b> 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	N/A	Both

Condition	Party entitled to benefit	Responsibility to satisfy
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 or restrains the completion of the Scheme.		
(i) <b>SXG Shareholder approval:</b> SXG Shareholders (other than Excluded Shareholders) agree to the Scheme at the Scheme Meeting by the requisite majorities under the Corporations Act.	N/A	SXG
(j) <b>Mawson Shareholder approvals:</b> Mawson Shareholders pass the Mawson Resolutions by the necessary majorities.	Mawson	Mawson
(k) <b>Independent Expert's Report:</b> the Independent Expert's Report concludes that the Scheme is in the best interests of SXG Non-Associated 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.	SXG	SXG
(l) <b>Court approval of the Scheme:</b> 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.	N/A	SXG
(m) <b>Listing Rule waiver:</b> 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.	Both	SXG
(n) <b>No SXG Prescribed Event:</b> from the date of the Scheme Implementation Agreement until 8.00am on the Second Court Date, no SXG Prescribed Event occurs.	Mawson	SXG

Condition	Party entitled to benefit	Responsibility to satisfy
(o) <b>No Mawson Prescribed Event:</b> from the date of the Scheme Implementation Agreement until 8.00am on the Second Court Date, no Mawson Prescribed Event occurs.	SXG	Mawson
(p) <b>No SXG Material Adverse Change:</b> from the date of the Scheme Implementation Agreement until 8.00am on the Second Court Date, no SXG Material Adverse Change occurs.	Mawson	SXG
(q) <b>No Mawson Material Adverse Change:</b> from the date of the Scheme Implementation Agreement until 8.00am on the Second Court Date, no Mawson Material Adverse Change occurs.	SXG	Mawson
(r) <b>No breach of SXG Representations and Warranties:</b> the SXG Representations and Warranties are true and correct in all material respects as at the date of the Scheme Implementation Agreement and as at 8:00am on the Second Court Date.	Mawson	SXG
(s) <b>No breach of Mawson Representations and Warranties:</b> the Mawson Representations and Warranties are true and correct in all material respects as at the date of the Scheme Implementation Agreement and as at 8:00am on the Second Court Date.	SXG	Mawson
(t) <b>ASX listing of Mawson:</b> 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
(u) <b>US Securities Act:</b> the parties taking all steps reasonably	Mawson	Mawson

Condition	Party entitled to benefit	Responsibility to satisfy
<p>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 (<b>US Exemption</b>) (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 pursuant to the Scheme, based on the Court's approval of the Scheme.</p>		

#### 5.4 Status of Scheme Conditions

As at the date of this Scheme Booklet, neither SXG nor Mawson is aware of any circumstances which would cause any Scheme Conditions not to be satisfied or any termination right to be enlivened.

A statement about the status of Scheme Conditions will be made at the commencement of the Scheme Meeting.

#### 5.5 If the Scheme does not proceed

If the Scheme does not proceed, SXG Shareholders will continue to hold SXG Shares and will not receive the Scheme Consideration. In the absence of any Superior Proposal to the Scheme, SXG will continue as a standalone ASX listed entity. SXG may, in addition to the normal risks it faces, be exposed to the additional risks as described in section 10.4 of this Scheme Booklet.

SXG will be liable to pay certain transaction costs relating to the Scheme regardless of whether the Scheme proceeds. If the Scheme is implemented, additional costs will be incurred.

#### 5.6 Exclusivity arrangements and competing proposals

Under the Scheme Implementation Agreement, SXG and Mawson have agreed to certain exclusivity restrictions that are summarised below. SXG and Mawson agreed to these exclusivity restrictions after engaging in arms-length negotiations during the course of the preparation of the Scheme Implementation Agreement, which in SXG's case involved the Independent SXG Board Committee leading the negotiation.

Full details of these restrictions are contained in clauses 13 and 14 of the Scheme Implementation Agreement.

These restrictions apply to SXG and Mawson during the Exclusivity Period.

Restriction	Description
<p><b>No current discussions</b></p>	<p>Each party warrants to the other that it is not a party to an agreement with a Third Party entered into for the purpose of facilitating any Competing Transaction, participating in discussions or communications in relation to</p>

<b>Restriction</b>	<b>Description</b>
	any Competing Transaction, has ceased to provide any non-public information provided for the purpose of facilitating a Competing Transaction and has requested the return or destruction of any non-public information provided to a Third Party for the purpose of facilitating a Competing Transaction.
<b>No shop</b>	Each party must not directly or indirectly solicit, initiate, invite or encourage any Competing Transaction.
<b>No talk</b>	Each party must not directly or indirectly participate in any discussions or negotiations regarding a Competing Transaction, or that may reasonably be expected to encourage or lead to a Competing Transaction.
<b>No due diligence</b>	Each party must not directly or indirectly make available to any Third Party any non-public information that may be reasonably expected to assist such Third Party in formulating a Competing Transaction.
<b>Notification</b>	Notify the other party of any approach or inquiry made by a person that concerns a Competing Transaction or potential Competing Transaction, and any request made by a person for non-public information in connection with developing a Competing Transaction.
<b>Response and counter proposal</b>	If a party is permitted under the Scheme Implementation Agreement to engage in activity that would otherwise breach the exclusivity provisions, enter into a Confidentiality Agreement with the person making the proposal for the Competing Transaction and only if specified requirements in the Scheme Implementation Agreement are met. The other party may provide a counter proposal.
<b>Fiduciary exception</b>	The 'No talk restriction', 'No due diligence restriction' and Notification obligation' do not apply to the extent they restrict a Director of SXG or Mawson from taking or refusing to take action with respect to a Competing Transaction.

Provided the "no shop" restriction has been complied with, SXG may respond to any bona fide approach by a Third Party where the SXG Directors, acting in good faith and after taking advice from SXG's external advisers, determine that such approach would lead to a superior Competing Transaction and if failure to do so would, in the reasonable opinion of the SXG Directors, be likely to involve a breach of the duties of the SXG Directors.

## 5.7 Termination of the Scheme Implementation Agreement

The circumstances in which the Scheme Implementation Agreement can be terminated are set out in full in clause 16 of the Scheme Implementation Agreement.

Below is a summary of the termination rights of the parties under the Scheme Implementation Agreement:

<b>Cause for termination</b>	<b>Description of termination right</b>
<b>Mutual agreement</b>	SXG and Mawson may terminate by mutual agreement in writing.
<b>Scheme Conditions not satisfied</b>	If any Scheme Condition is not satisfied, cannot be satisfied or is reasonably unlikely to be able to be satisfied, and has not been waived, by its Relevant Date, or if the Scheme has not become Effective by the

Cause for termination	Description of termination right
<b>OR Scheme not Effective by End Date</b>	End Date, and SXG and Mawson are unable to reach agreement on an extension to the Relevant Date or End Date or both (as applicable), then either SXG or Mawson may terminate.
<b>Competing Transaction</b>	A party may terminate if a proposal for a Competing Transaction is received and the SXG Board or Mawson Board (as applicable) publicly announces that it has determined that it is a Superior Proposal. The party may only terminate under this clause if it is not materially in breach of its exclusivity obligations.
<b>Recommendation</b>	The SXG Board or Mawson Board (as applicable) publicly withdraw their recommendation, make a public statement to the effect that they no longer recommend the Transaction or support or endorse a Competing Transaction.
<b>Material Adverse Change or Prescribed Event</b>	Where an SXG Material Adverse Change, Mawson Material Adverse Change, SXG Prescribed Event or Mawson Prescribed Event occur.
<b>Competing Transaction</b>	If a Competing Transaction is announced or becomes open to acceptance.
<b>Material breach</b>	A party may terminate if the other party is in breach of the Scheme Implementation Agreement and that breach is material and not remedied within 10 Business Days.

## 5.8 Warranties in Scheme Implementation Agreement

Under the Scheme Implementation Agreement, SXG and Mawson each provide a range of representations and warranties to the other in relation to their respective organisations and operations as well as their provision of information to the other in the context of the Proposed Transaction. Clause 9 of the Scheme Implementation Agreement contains these warranties and representations.

## 5.9 Warranties by Scheme Participants under the Scheme

The effect of the Scheme is that each Scheme Participant, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted to Mawson (and to have authorised SXG to warrant to Mawson as agent and attorney for the Scheme Participant) that:

- all their SXG Shares which are transferred to Mawson under the Scheme are, as at the Implementation Date, fully paid and free from all encumbrances; and
- they have full power and capacity to sell and to transfer their SXG Shares (including any rights and entitlements attaching to those shares) to Mawson under the Scheme.

The terms of the warranties are set out in clause 5.6 of the Scheme. The Scheme is set out in Annexure C.

### 5.10 Existing instructions to the Share Registry

All instructions, notifications or elections made by the SXG Shareholder to SXG (binding or deemed to be binding between the SXG Shareholder and SXG) relating to SXG or its Shares (except for tax file numbers), including in relation to:

- (a) whether distributions or dividends are to be paid by cheque or into a specific account or regarding notices; or
- (b) notices or other communications with SXG,

will, to the extent reasonably practicable and not prohibited by law, be deemed from the Scheme Implementation Date (except to the extent determined otherwise by Mawson in its sole discretion), by reason of the Scheme, to be made by the person to Mawson until that instruction, notification or election is revoked or amended by the person in writing to the Mawson Share Registry or Mawson CDI Registry (as applicable). SXG Shareholders should note that, if they receive New Mawson Shares under the Scheme (due to submitting a valid Share Election Form), certain instructions, notifications and elections (including payment instructions) may not be carried over to the Mawson Register, and such persons may be required to notify the Mawson Share Registry of such preferences.

## 6. Scheme Consideration

This section provides information regarding the Scheme Consideration which is relevant for SXG Shareholders.

### 6.1 Overview

Prior to the Effective Date, Mawson will consolidate the number of Mawson Shares on issue 306,138,320 to be equal to the number of SXG Shares 96,590,910 that it owns (subject to rounding). Under the Scheme, SXG Shareholders will be issued by default Mawson CDIs quoted on ASX or if they elect, New Mawson Shares listed on TSXV, in exchange for their SXG Shares on a one-for-one basis.

New Mawson Shares will be issued on substantially similar terms and with materially similar rights and obligations as those of the SXG Shares for which they are exchanged. As CDI Holders are generally entitled to equivalent rights as holders whose securities are legally registered in their own name (see section 6.6 for further detail on this point), the terms of issue and rights and obligations of the shares underlying Mawson CDIs will be substantially equivalent to those of the SXG Shares for which they are exchanged. See section 8.12 for a detailed description of the rights attaching to Mawson Shares. See also Schedule 1 for a detailed comparison of the Australian and Canadian legal regimes regarding SXG Shares and Mawson Shares (respectively), which will be relevant to you consideration as to whether to vote in favour of the Scheme.

SXG Shareholders (other than Mawson) will own approximately 51.33% of issued Combined Group shares following completion of the Scheme, increasing to 56.20% taking into account the SXG Shares proposed to be issued under the Share Swap Agreement detailed in section 7.8. Potential changes to the capital structure of SXG are discussed in section 7.12 of this Scheme Booklet. Potential changes to the capital structure of the Combined Group are discussed in section 9.5(a) of this Scheme Booklet.

SXG Shareholders will receive Scheme Consideration by default in the form of Mawson CDIs quoted on ASX, unless the shareholder validly elects using a Share Election Form to receive New Mawson Shares listed on TSXV.

### 6.2 Value of a Mawson Share

Trading prices for Mawson Shares (on a pre-consolidation basis) on the TSXV since its listing on the TSXV on 4 January 2024 (not including Alternate Trading Systems trades) are:

Month	High (CAD\$)	Low (CAD\$)
October 2024	1.18	0.98
September 2024	1.12	0.77
August 2024	0.88	0.57
July 2024	0.77	0.54
June 2024	0.80	0.67
May 2024	0.90	0.68
April 2024	0.80	0.51
March 2024	0.70	0.38
February 2024	0.40	0.25
4 – 31 January 2024	0.38	0.31

Note that the above historical price information is not adjusted for the proposed Mawson Share Consolidation, and so is not directly comparable to historical prices of SXG Shares.

See section 8.6 for more information on the effect of the proposed Mawson Share Consolidation.

Prior to listing on the TSXV, the Mawson Shares were listed on the Toronto Stock Exchange. Recent trading prices for the Mawson Shares (on a pre-consolidation basis) on the Toronto Stock Exchange (not including Alternate Trading System trades) are:

Month	High (CAD\$)	Low (CAD\$)
2 - 3 January 2024	0.37	0.34
December 2023	0.42	0.30
November 2023	0.37	0.33
October 2023	0.37	0.27
September 2023	0.35	0.19
August 2023	0.21	0.14
July 2023	0.17	0.14
June 2023	0.18	0.14
May 2023	0.20	0.16
April 2023	0.24	0.19
March 2023	0.29	0.21
February 2023	0.26	0.20
January 2023	0.27	0.20
December 2022	0.24	0.15
November 2022	0.17	0.13
October 2022	0.15	0.12
September 2022	0.15	0.12
August 2022	0.17	0.11

### 6.3 Entitlement to Scheme Consideration

Scheme Participants, being SXG Shareholders (other than Mawson and its Subsidiaries) whose names appear on the Share Register as at the Scheme Record Date (7.00pm on Wednesday 18 December 2024), will be entitled to receive the Scheme Consideration under the Scheme.

#### ***Dealings on or prior to the Scheme Record Date***

For the purpose of establishing the persons who are entitled to participate in the Scheme, dealings in SXG Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Share Register as the holder of the relevant SXG Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date.

SXG will not accept for registration or recognise any transfer or transmission application received after such times or received before such times but not in registrable or actionable form.

#### ***Dealings after the Scheme Record Date***

For the purpose of determining entitlements to Scheme Consideration, SXG will maintain the Share Register in accordance with the terms of the Scheme and the Share Register in this form will solely determine entitlements to the Scheme Consideration.

As from the Scheme Record Date (other than for Mawson after the Implementation Date), each entry current on the Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the SXG Shares relating to that entry.

All statements of holding in respect of SXG Shares will cease to have effect after the Scheme Record Date as documents of title in respect of those shares (other than statements of holdings in favour of Mawson).

#### **6.4 Provision of the Scheme Consideration**

Mawson has entered into the Deed Poll under which Mawson covenants in favour of Scheme Participants to provide the Scheme Consideration in accordance with the Scheme.

If the Scheme becomes Effective, Mawson must issue the Mawson CDIs or New Mawson Shares (as applicable) to each Scheme Participant entitled to receive the Scheme Consideration under the Scheme. Mawson must enter the name of the Scheme Participant in Register of CDI Holders / Mawson's register of members (as applicable) as the holder of those Mawson CDIs or New Mawson Shares respectively on the Implementation Date.

#### **6.5 CHESS and CDIs**

SXG Shareholders should note that, as Mawson is incorporated under the laws of the Province of British Columbia, Canada, they will be issued with CDIs by default instead of Mawson Shares under the Scheme, unless they elect to receive New Mawson Shares in book-entry form in the Direct Registration System, or unless they are an Ineligible Overseas Shareholder, whose entitlements are outlined in section 1.2(b). This is because the requirements of Canadian laws are such that registered shareholders have the right to receive a share certificate with such requirement not permitting the CHESS system of holding uncertificated securities.

CDIs issued pursuant to the Scheme will allow beneficial title to the Shares to be held and transferred. CDIs are electronic depositary interests or receipts issued and are units of beneficial ownership in securities registered in the name of CHESS Depositary Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the CDI Holder has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. The Shares underlying the CDIs issued pursuant to the Scheme will be registered in the name of CDN on the Canadian share register for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDN receives no fees from investors for acting as the depositary nominee in respect of CDIs.

CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.

#### **6.6 Rights of CDI Holders**

With the exception of voting rights, CDI Holders are generally entitled to equivalent rights as holders whose securities are legally registered in their own name. The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities. However, in some cases, marginal differences may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Canadian legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders

(thus, for example, CDI Holders may not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).

The ASX Settlement Rules require the company to give notices to CDI Holders of general meetings of shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN how to vote on a particular resolution, in accordance with the CDI Holder's written directions. CDN is then obliged under the ASX Settlement Rules to lodge proxy votes in accordance with the directions of CDI Holders. CDI Holders cannot vote personally at shareholder meetings. The CDI Holder must convert their CDIs into Shares prior to the relevant meeting in order to vote in person at the meeting.

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

## **6.7 Converting between Shares and CDIs**

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to Shares by:

- (a) in the case of CDIs held through the issuer sponsored sub-register, contacting the CDI Registry directly to obtain the applicable request form; or
- (b) in the case of CDIs held on the CHESSE sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with the CDI Registry to obtain and complete the request form.
- (c) Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred on the Mawson Register from CDN into the name of the CDI Holder in book-entry or certificated form in accordance with instructions in the request. This will cause the Shares to be registered on the register of Mawson Shareholders in Canada and trading will no longer be possible on ASX.

A holder of Shares may also convert their Shares to CDIs by contacting the Share Registry in respect of Shares held are registered directly in their name or their stockbroker (or applicable controlling participant) if the Shares are held on their behalf in the Canadian Central Security Depository. In each case, the Shares will be transferred from the Mawson Shareholder's name into the name of CDN and a holding statement will be issued to the person who converted their Shares to CDIs in respect of the CDIs that have been issued. The CDIs will be tradeable on ASX.

The CDI and Share Registries will not charge an individual Share or CDI holders a fee for converting CDIs into Shares or vice versa, although a cross-border transaction fee may be charged to the holder by any intermediaries (i.e. stockbroker or custodian) involved.

## **6.8 Fractional entitlements**

Any entitlements to a fraction of a Mawson CDI or New Mawson Share arising under the calculation of Scheme Consideration will be rounded up or down to the nearest Mawson CDI or New Mawson Share (and if the fractional entitlement would include one-half of a Mawson CDI or New Mawson Shares, the entitlement will be rounded up). However, if the Mawson Share consolidation is implemented then the exchange ratio will be one for one and so no fractional entitlements will arise.

## **6.9 Ineligible Overseas Shareholders**

Ineligible Overseas Shareholders will participate in the Scheme on the same basis as all other Scheme Participants. However, Ineligible Overseas Shareholders will not receive the Mawson

CDIs or New Mawson Shares to which they would otherwise be entitled under the Scheme. Instead, the Mawson CDIs or New Mawson Shares that Ineligible Overseas Shareholders would otherwise be entitled to will be issued to a nominee of Mawson who will sell them on the TSV or ASX as soon as reasonably practicable and in any event no more than 30 days after the Implementation Date, at such a price as the nominee determines in good faith, and at the risk of the Ineligible Overseas Shareholders.

Mawson's nominee will then remit the net proceeds of the sale received (after deducting any applicable brokerage, stamp duty and other costs, taxes and charges) to each Ineligible Overseas Shareholder an amount equal to the proportion of the net proceeds of sale received by Mawson to which that Ineligible Overseas Shareholder is entitled, in satisfaction of their entitlement to the Scheme Consideration.

Full details of this process are contained in clause 6.3 of the Scheme (which is set out in Annexure C).

#### **6.10 Tax consequences**

A general guide to the Australian consequences for Scheme Participants who are Australian tax residents is set out in section 11 of this Scheme Booklet. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any Scheme Participants, who should obtain their own independent professional tax advice.

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## **7. Information about SXG**

### **7.1 Responsibility for information**

The information set out in this section was prepared by SXG. SXG is responsible for the information contained in this section.

### **7.2 Background**

SXG is a natural resources company which is engaged in the exploration of precious and base mineral interests. Its corporate objectives are to discover and develop large, long-life, sustainable assets which create value for shareholders and all stakeholders in the community.

### **7.3 Corporate history**

SXG was registered in Victoria, Australia on 21 July 2021 and its securities started trading on the Australian Securities Exchange on 16 May 2022 under the symbol "SXG". SXG now has approximately 2,567 shareholders and net assets of AU \$38.8 million (as at 31 May 2024).

### **7.4 Key projects**

SXG's flagship project is the Sunday Creek epizonal-style gold-antimony project located 60 km north of Melbourne within 19,365 ha of granted exploration tenements. SXG is also the freehold landholder of 133.29 ha that form the key portion in and around the main drill area.

Sunday Creek is considered to be one of the best new high grade and large exploration discoveries to come out of Australia in recent times. Mineralisation has been drilled over 1,200 m along strike and remains open beyond 1,100 m depth along a 11 km mineralised corridor. Hit rates has 50 individual intersections exceeding 50 AuEq g/t x m ("AuEq g/t x width in m") and 45 individual intersections exceeding 100 AuEq g/t x m to 05 September 2024 with 58,494 m drilled and reported at the property. The project also contains the significant critical metal potential by-product of antimony.

SXG also has interests in SXG Victoria Pty Ltd (previously Mawson Victoria Pty Ltd) which holds the rights and interests under option agreements with Nagambie Resources Limited (ASX:NAG) to a 70% beneficial interest in the Redcastle project (comprised of three exploration licenses) and in Mawson Queensland Pty Ltd which holds the tenements forming the Mt. Isa project.

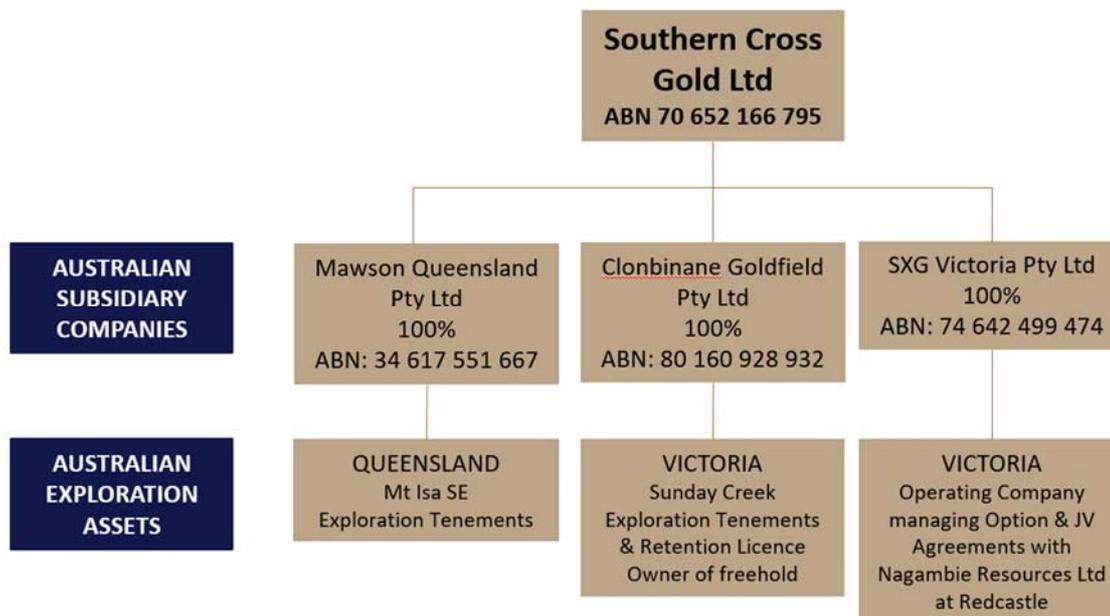
SXG Victoria Pty Ltd has agreed to acquire a beneficial interest in the remaining 30% of the Redcastle joint venture and underlying royalty from Nagambie Resources Limited, for \$250,000 cash pursuant to a sale and purchase agreement.

### **7.5 Corporate structure**

Southern Cross Gold Ltd owns three subsidiaries as shown in the diagram below, which are:

- (a) Clonbinane Goldfield Pty Ltd which holds the tenements forming the Sunday Creek project and has subsequently entered into an agreement to acquire freehold land on a portion of that project;
- (b) SXG Victoria Pty Ltd which holds the rights and interests under an option agreement with Nagambie Resources Limited (ASX:NAG) to 70% of the Redcastle project, and which is in the process of acquiring the remaining 30% beneficial interest in the Redcastle joint venture and underlying royalty from Nagambie Resources Limited to hold 100% of the Redcastle project; and

- (c) Mawson Queensland Pty Ltd which holds the tenements forming the Mt. Isa project.



## 7.6 Directors, company secretary and senior management

This section provides details of the SXG Directors and key management personnel of SXG as at the date of this Scheme Booklet.

### (a) Directors

**Michael Hudson** – Managing Director

*B.Sc. (Hons) Geology, GDipAppFin, FAusIMM, MSEG, MAIG*

Mr Hudson has over 30 years of experience and is a professional geologist and company director. He commenced his career underground for three years in Broken Hill in 1990 with Pasminco Ltd. He has managed and developed exploration to pre-feasibility projects in Pakistan, Australia, Peru, Argentina, Mexico, Finland, Spain, Portugal and Sweden for major and junior mining companies. He was an integral team member for the development or discovery of the Western A Lode Zn mine in Broken Hill, NSW, the Portia gold mine in the Olary district of SA, the Duddar Pb-Zn mine in Pakistan, the Norra Karr REE deposit in Sweden, the Bongara Zn-Pb, San Martin Cu-Ag and Valiente Cu-Au discoveries in Peru, the Rompas-Rajapalot 1Moz gold cobalt deposit in Finland and the Sunday Creek Au-Sb project in Victoria. He is a Fellow of the Australasian Institute of Mining and Metallurgy and Member of both the Society for Economic Geologists and Australian Institute of Geoscientists.

**Ernest Thomas Eadie** – Non-executive Chairman

*B.Sc. (Hons) Geology, MSc Physics (Geophysics), GDipAppFin*

Mr Eadie has over 40 years' experience as an exploration leader and geophysicist in the resources industry. He is the former Executive Chairman of Copper Strike, founding Chairman of Syrah Resources and previously Executive General Manager - Exploration and Technology at Pasminco.

**Georgina Carnegie** – Non-executive Director

B.Econ, MPA

Ms Carnegie is an economist and international business consultant. She has over forty years' experience in international research and advisory work. Her early career involved senior positions in the Australian government and life insurance sectors. She recently spent more than a decade as Senior Advisor to the Chairman of a large natural resources focused private equity firm.

**David Henstridge** – Non-executive Director

B.Sc. (Hons)

Mr Henstridge is a geologist with 50 years' experience in the mining industry including 30 years managing public-listed companies. He has been associated with many mineral discoveries worldwide including in Australia, Peru and Finland. Moving into the Canadian capital markets in 1993, he has been associated with companies raising more than \$200,000,000 for exploration and project development, been a co-founder of five capital pool companies listed on the Toronto Venture Exchange, all succeeding with qualifying transactions in the exploration industry and the reconstruction and re-listing of several more defunct companies.

**(b) Company secretary**

*B.Bus (Accounting), CA, FGIA*

**Justin Mouchacca** – Corporate Secretary

Joined SXG and was appointed the Company Secretary in December 2021. Prior to joining SXG, he was a Company Secretary and Financial Officer for listed and unlisted entities. Chartered Accountant since 2011.

**(c) Management team****Lisa Gibbons** – General Manager

*B.APP.SC (Geology) Hons, MTeach (Science), FAusIMM*

General Manager since inception. Over 30 years' experience as a geologist in exploration and resource development, both in Australia and overseas. Member of Minerals Council of Australia (Vic). Winner of MCA Victoria 2022 Exceptional Woman in Victorian Resources Award and finalist for Telstra Business Women of the Year Award in May 2022.

**Kenneth Bush** – Exploration Manager

*MSc Economic Geology, MAIG*

Over 10 years of experience in exploration and mine geology, specialising in 3D geological and structural modelling. Prior to joining SGX, he worked on some of the highest-grade gold mines in the world.

**Zac Turschwell** – Senior Geologist

*B.Sc. (Hons) M. AIG*

Professional geologist with extensive experience across Australian gold projects. Prior to SXG, Mr Turschwell's experience spanned projects, underground and open pit and exploration positions.

## 7.7 Capital structure

As at the Last Practicable Date, the capital structure of SXG is as set out below:

SXG security	Number on issue
Shares	198,446,604
Class A ESOP	1,964,667
Class B ESOP	2,783,333
Class C ESOP	2,783,333
Unlisted ESOP	1,250,000
Broker Options (vested 6/5/2022)	1,350,000
Broker Options (vested 28/11/2022)	1,105,000
Consultant Options	1,500,000
Director Options	3,550,000
Performance rights	280,000

The top 20 SXG Shareholders in the Share Register (including Mawson) held approximately 77.6% of all issued SXG Shares as at the Last Practicable Date. SXG does not have any other type of securities on issue.

## 7.8 Proposed issue of SXG Shares to vendor of assets

SXG has entered into a Share Swap Agreement in respect of the purchase of 100% of the shares in Sparr Nominees Pty Ltd (**Sparr**). Sparr holds substantial agricultural properties and approximately \$18.75m in cash.

Consideration for 100% of the shares in Sparr is the issue of 22,088,670 SXG Shares. The current owner and seller of Sparr is Darren Morcombe, who post-closing of the transaction will become a substantial shareholder of SXG.

The Company has also acquired two residential holdings at a cash cost of \$1.9m.

All these properties are being acquired for buffering and strategic optionality.

The purchase of the two residential properties and Share Swap Agreement is subject to approval by the Treasurer of Australia (i.e. Foreign Investment Review Board (**FIRB**) approval). Subject to obtaining FIRB approval, the acquisitions are expected to complete around mid to late November 2024.

The summary terms of the Share Swap Agreement are:

Date of agreement	4 October 2024
Vendor	Darren Morcombe
Purchaser	Clonbinane Goldfield Pty Ltd (a 100% subsidiary of SXG)

Consideration	22,088,870 Shares in SXG.
Key condition to completion	FIRB approval

## 7.9 Substantial shareholders

Based on substantial holding notices lodged with the ASX or otherwise known to SXG as at the Last Practicable Date, SXG has no substantial shareholders who have Relevant Interests in a parcel of 5% or more of the total issued SXG Shares other than Mawson.

As a result of the shares issued as consideration under the Share Swap Agreement, Darren Morcombe as the vendor is expected to have a substantial holding of greater than 10% of issued SXG Shares upon completion of that agreement.

## 7.10 Employee incentive plans

SXG established an employee security ownership plan in January 2022, under which directors, officers, employees and consultants of SXG may be issued options up to an aggregate of 10% of the number of fully paid ordinary shares of SXG on issue, subject to certain conditions to vesting. The terms of those options and their issue are to be determined by the board of SXG.

## 7.11 Historical financial information

This section 7.11 sets out a summary of the historical consolidated statements of financial position, statements of financial performance and statements of cash flows of SXG for the years ended 31 May 2024 and 31 May 2023 (the **SXG Historical Financial Information**) in relation to SXG for the purposes of this Scheme Booklet.

The SXG Historical Financial Information has been extracted from the annual financial reports of SXG for the years ended 31 May 2024 and 31 May 2023. William Buck issued an unmodified audit opinion in relation to SXG's annual financial reports for the years ended 31 May 2024 and 31 May 2023. The financial information has not been subject to further review by an independent accountant.

A number of figures, amounts, percentages prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

### (a) Basis of preparation

The SXG Historical Financial Information presented is in an abbreviated form and does not contain all the disclosures, presentation, statements, notes or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act, AAS and other mandatory professional reporting requirements.

SXG considers that for the purposes of this Scheme Booklet the SXG Historical Financial Information presented in an abbreviated form is more meaningful to SXG Shareholders. SXG's full financial accounts, including all notes to those accounts and a full description of the accounting policies can be found in SXG's financial statements for the respective periods (copies of which are available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and SXG's website at <https://www.southerncrossgold.com.au/>).

The SXG Historical Financial Information was audited by William Buck and prepared in accordance with the Corporations Act and the AAS. William Buck issued unqualified audit opinions in respect of these financial statements.

(b) **Consolidated SXG Historical Financial Information**

**Southern Cross Gold Ltd**  
**Consolidated Statement Of Financial Position**  
**As at 31 May 2024**



	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	13,361,709	15,186,850
GST receivable		235,537	185,745
Other assets and prepaid expenses		2,323	1,554
<b>Total current assets</b>		<u>13,599,569</u>	<u>15,374,149</u>
<b>Non-current assets</b>			
Right-of-use assets		222,648	237,308
Property, plant and equipment	9	3,576,028	2,307,813
Exploration and evaluation	10	22,368,554	12,658,099
Investment in Nagambie Resources Limited	11	533,611	2,134,442
Bonds and security deposits		50,664	46,370
<b>Total non-current assets</b>		<u>26,751,505</u>	<u>17,384,032</u>
<b>Total assets</b>		<u>40,351,074</u>	<u>32,758,181</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	1,238,637	1,338,810
Lease liabilities		109,945	60,067
Employee benefits		68,866	-
Unissued share capital	23	41,250	-
<b>Total current liabilities</b>		<u>1,458,698</u>	<u>1,398,877</u>
<b>Non-current liabilities</b>			
Lease liabilities		113,674	179,652
Employee benefits		10,834	-
<b>Total non-current liabilities</b>		<u>124,508</u>	<u>179,652</u>
<b>Total liabilities</b>		<u>1,583,206</u>	<u>1,578,529</u>
<b>Net assets</b>		<u>38,767,868</u>	<u>31,179,652</u>
<b>Equity</b>			
Issued capital	13	47,803,944	34,405,566
Reserves		4,711,337	2,563,368
Accumulated losses		(13,747,413)	(5,789,282)
<b>Total equity</b>		<u>38,767,868</u>	<u>31,179,652</u>

**Southern Cross Gold Ltd**  
**Consolidated Statement Of Profit Or Loss And Other Comprehensive Income**  
**For the year ended 31 May 2024**



	Note	2024 \$	2023 \$
<b>Revenue</b>			
Interest income		359	164
<b>Expenses</b>			
Employee benefits expense	5	(3,737,094)	(1,419,419)
Depreciation and amortisation expense		(176,120)	(69,702)
Administration and corporate costs	6	(1,373,991)	(846,395)
Decrease in fair value of investment in Nagambie Resources Limited	11	(1,600,831)	(574,404)
Impairment of exploration and evaluation assets	10	(1,057,506)	(1,041,408)
Finance costs		(12,948)	(4,171)
<b>Loss for the year</b>		<b>(7,958,131)</b>	<b>(3,955,335)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<b>(7,958,131)</b>	<b>(3,955,335)</b>
<b>Earnings per share calculated on loss for the year after income tax expense</b>			
		\$	\$
Basic earnings per share	7	(0.04)	(0.02)
Diluted earnings per share	7	(0.04)	(0.02)

**Southern Cross Gold Ltd**  
**Consolidated Statement Of Cash Flows**  
**For the year ended 31 May 2024**



	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers, employees and taxation authorities		(2,375,352)	(2,044,443)
Interest received		-	164
Payments for interest associated with lease liability		(12,948)	(4,171)
Net cash used in operating activities	14	(2,388,300)	(2,048,450)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	(1,352,314)	(310,278)
Payments for exploration and evaluation costs		(10,934,261)	(5,216,669)
Payments for shares in listed entity	11	-	(142,777)
Payments for bonds and security deposits		(3,935)	(19,414)
Net cash used in investing activities		(12,290,510)	(5,689,138)
<b>Cash flows from financing activities</b>			
Proceeds for shares not issued	23	41,250	37,706
Payments for shares not issued		-	(37,706)
Proceeds from issue of shares to directors	13	110,000	-
Proceeds from exercise of options by employees	13	330,000	62,000
Proceeds from issue of shares/rights issue	13	10,235,025	15,889,998
Proceed from exercise of options by brokers	13	2,340,975	-
Payments for the cost of issuing share capital	13	(110,120)	(954,804)
Repayment of principal component of lease liabilities		(93,461)	(19,163)
Net cash from financing activities		12,853,669	14,978,031
Net increase/(decrease) in cash and cash equivalents		(1,825,141)	7,240,443
Cash and cash equivalents at the beginning of the year		15,186,850	7,946,407
Cash and cash equivalents at the end of the year	8	13,361,709	15,186,850

## 7.12 Material changes in SXG's financial position

To the knowledge of the Independent SXG Board Committee, the financial position of SXG as at the Last Practicable Date has not materially changed since the financial year ended 31 May 2024, other than:

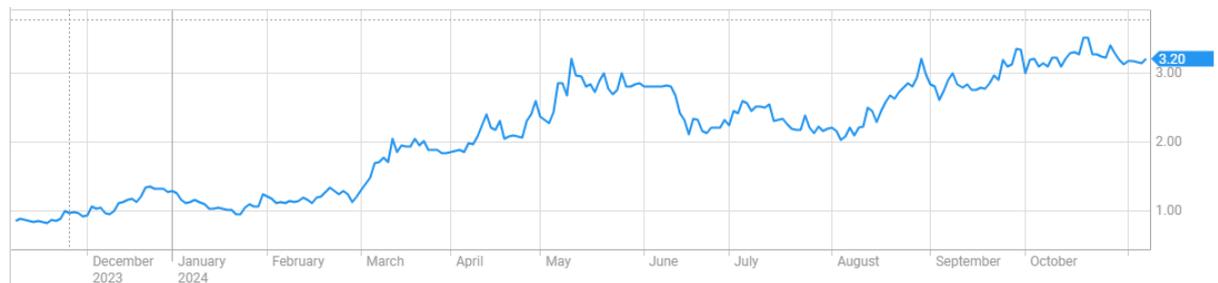
- (a) the cash and cash equivalents balance at 31 August 2024 was \$10.6 million as disclosed in SXG's quarterly report announced on ASX on 30 September. Since that date, SXG's cash resources have continued to be expended on exploration activities in the ordinary course of operations, as well as a \$1 million payment for one of the two residential properties referred to in section 7.8;
- (b) in the ordinary course of trading;
- (c) as a result of generally known market conditions; and
- (d) as disclosed in section 7.8 of this Scheme Booklet.

## 7.13 Recent SXG share price performance

SXG Shares are listed on the ASX under the ticker 'SXG'. The last closing price of SXG Shares on the ASX before the Announcement Date was \$2.80.

The closing price for SXG Shares on ASX on the Last Practicable Date was \$3.20.

The graph below shows SXG's share price performance during the 12 months up to the Last Practicable Date:



## 7.14 SXG Directors' intentions for the business of SXG

The Corporations Regulations require a statement by the Mawson Directors of their intentions regarding SXG's business and employees. If the Scheme is implemented, it is intended by Mawson that the existing SXG Board will remain the same, as will its assets and operations.

Mawson's intentions regarding SXG's business, assets and employees if the Scheme is implemented are set out in section 9.9 of this Scheme Booklet.

If the Scheme is not implemented, the SXG Directors intend to continue to operate SXG in the ordinary course of business.

## 7.15 Material contracts of SXG with change of control implications

SXG is not aware of any requirements in its material contracts requiring consent for a change of control that may arise as a result of implementation of the Scheme.

## 7.16 Litigation

SXG is not aware of any material litigation, either in progress or proposed, to which it is a party

## 7.17 Safety and Sustainability

### (a) Overview

SXG is committed to safety and sustainability, by which it means creating a secure and healthy work environment, fostering a diverse workforce, and upholding environmental, social and governance (**ESG**) practices. SXG's aims in this regard include:

- **Workplace Safety and Health:** Ensuring all employees and contractors return home safely every day, with a culture where everyone contributes to a safe work environment.
- **ESG-Aligned Project Development:** Operating exploration projects, like the Sunday Creek Gold and Antimony Project, with a focus on environmental stewardship, social responsibility and governance integrity.
- **Diverse Workforce:** Promoting diversity to enhance the team's strength, innovation, and inclusivity.
- **Community and Government Relations:** Building and maintaining relationships with local communities and government bodies, striving for respect, transparency and positive impact.

This approach integrates safety and sustainability as key pillars of SXG's operations, reinforcing the company's long-term vision for responsible and inclusive growth.

### (b) Health and Safety

Since SXG was formed in May 2022 there have been no fatalities and limited Lost Time Injuries, as shown in the table below.

	LISTING TO END FY 2022	FY 2023	FY 2024	1 JULY 2024- NOVEMBER 2024
<b>FATALITIES</b>	0	0	0	0
<b>LOST TIME INJURIES (LTI)</b>	0	2	1	1

SXG is focused on continuously improving the health and safety of its workforce by:

- **Prioritising Safety in Every Decision:** The company's values integrate health and safety as core considerations in all decisions, aiming to ensure that every action reflects the company's commitment to a safe work environment. This message is conveyed to all employees in the daily toolbox meetings, weekly meetings, monthly site safety meetings and quarterly safety meetings with the SXG safety committee.
- **Implementing Comprehensive Health and Safety Training:** Requiring mandatory inductions and training for all employees and contractors, covering risk and hazard identification, safe practices, emergency procedures for all our operating sites and the use of protective equipment. Training is conducted using online content and in person, with content delivered by specialist trainers. All safety training and certifications are recorded using Employment Hero software.
- **Enforce Strict Compliance Standards:** Establishing and enforcing rigorous safety standards and protocols aligned with industry best practices and regulatory requirements. All documentation, including safety policies, are available to staff in hardcopy and online through SXG's Employment Hero platform.

- **Promote a Culture of Safety Accountability:** Developing a culture where every employee is responsible for their own safety and that of their colleagues by encouraging proactive reporting of hazards and near-miss incidents.
- **Monitor and Assess Risks Regularly:** Routine safety audits, hazard assessments and risk evaluations to identify and address potential workplace hazards are carried out and recorded on daily, weekly and monthly basis. Annual auditing is carried out by an independent safety assessment provider.
- **Support Employee Health and Wellness:** Promoting mental and physical well-being through health policies that include stress management resources, regular health screenings, ergonomic assessments and wellness programs. SXG employees have access to company sponsored physiotherapy support, and this clinic regularly visits site to provide ergonomic assessments and exercise programs to minimise musculoskeletal injuries. All employees and their families have access to a 24/7 Employee Assistance Program.
- **Foster Open Communication and Feedback Channels:** All departments of SXG have safety representatives that are part of the SXG safety committee. SXG conducts 6 monthly safety surveys and the company has a safety suggestions box to proactively address safety issues.
- **Engage in Continuous Improvement:** Reviewing and updating health and safety policies regularly to incorporate new insights, technologies and industry standards, striving for ongoing improvement. SXG's Operations Manager is a member of the Minerals Council of Australia (**MCA**) Victoria Health and Safety working group who meet on a quarterly basis to enhance industry performance through advancement and promotion of leading safety and health and wellbeing initiatives.

By implementing and adhering to these policies, SXG aims to achieve a comprehensive, policy-driven approach to fostering a safe, healthy workplace.

### (c) **Sustainability**

SXG's sustainability aims reflect its commitment to responsible exploration and mining practices, community engagement and environmental stewardship.

SXG is a member of the Minerals Council of Australia (**MCA**) and abides by MCA's policies, including MCA's Water Policy and Towards Sustainable Mining® (**TSM**), an accountability framework which helps minerals companies evaluate, manage and communicate their sustainability performance. SXG's General Manager is a member of the TSM Australian Initiative Leaders Group and a member of the MCA Environment and Community working group in Victoria.

SXG's environmental stewardship includes comprehensive baseline environmental studies at Sunday Creek that provide valuable data to guide responsible exploration and project development. Key components of these baseline studies include:

- **Noise Monitoring:** Routine noise monitoring and auditing measures current sound levels in and around the Sunday Creek Project to assess potential impacts of exploration on nearby communities and wildlife. This study will guide SXG in implementing noise mitigation strategies to protect the quality of life for our neighbours and natural environment as we develop the project.
- **Climate Data Collection:** The Sunday Creek Project has a monitored weather station for collecting climate data which establishes a baseline understanding of local climate conditions. This information is crucial for predicting how future operations may interact with weather patterns and for planning sustainable resource usage.

- **Biodiversity Assessments:** Biodiversity studies are carried out by TactEcol Consulting who holds the relevant permits and approvals to undertake these studies. SXG uses these insights for regulatory reporting and to design the Sunday Creek Project so that disruptions to ecosystems are minimised and to promote biodiversity conservation on SXG's large land holding.
- **Community Water Tank Testing:** Household water tanks within a 2km radius of the Sunday Creek project are tested on a seasonal basis by a NATA accredited laboratory to establish baseline water quality levels before the project proceeds to mining. By doing so, SXG can monitor water quality throughout the project lifecycle to ensure that operations do not negatively impact the health of the community.
- **Water Monitoring:** SXG is currently seeking permits from the Goulburn Broken Catchment Management Authority (GBCMA) to install surface water monitoring equipment. The surface water monitoring program is planned to commence late in 2024. In early 2025 a series of water monitoring bores will be drilled at Sunday Creek to commence a detailed Groundwater Impact Assessment (GIA) study.

SXG also demonstrates its commitment to sustainability by purchasing 100% renewable electricity for all its sites, purchasing recycled plastic core trays to save over 30 tonne/year of plastic going to landfill, and by committing to innovative ways to recycling or repurpose our waste wherever possible, for example repurposing disused drill pipe and wireline for fencing. The SXG Sustainability Committee meets monthly to promote and coordinate sustainability initiatives across all SXG sites.

(d) **Workforce Diversity and Inclusion:**

SXG actively promotes a diverse workforce, recognising the benefits that inclusion and diversity may bring to innovation and operational resilience. The company is committed to equal opportunity and fair treatment for all employees. Currently 48% of SXG employees identify as female and the company also has neural diverse and English as a second language employees. SXG promotes diversity in mining through its sponsorship of the Victorian Women in Resources Awards.

(e) **Community and Government Relations:**

SXG aims to be a positive, integral part of the communities where it operates by:

- Prioritising the employment of local residents. Currently 40% of our staff live in areas directly surrounding the project and our locally based drilling company, Starwest Drilling, operates 6 houses in the nearby town of Broadford for their staff.
- Sourcing goods and services from nearby businesses. Approximately 85% of spending is within 100km radius of the Sunday Creek Project. Sourcing locally reduces the environmental footprint associated with transportation, supporting SXG's sustainability goals while benefiting the local economy. SXG is also a member of the Mitchell Shire Business Network.
- Being committed to developing and maintaining relationships of mutual understanding and respect with indigenous peoples. The Sunday Creek Project is located on the lands of the Taungurung people and we continue to build our positive relationship by ensuring that all our staff undertake cultural awareness training with the Taungurung Lands and Waters Council (TLaWC). In addition, SXG undertakes proactive cultural clearances on all its exploration tenements. SXG has developed, with guidance from Heritage Victoria, an Unexpected Finds policy and procedure in case artifacts are discovered during exploration work and the company has employed Biik (a subsidiary of the TLaWC) for environmental work at Sunday Creek. SXG collaborates with elders to promote the Taungurung language by sponsoring the translation of the TLaWC Welcome to Country to

Taungurung and the gifting of Taungurung dual language children's books to our staff, investors and local community groups.

- Being involved in local high school (Wallan, Broadford and Seymour) careers days through the Central Ranges Local Learning & Employment Network and providing work experience for local students.
- SXG's geologists regularly take part in the Australasian Institute of Mining and Metallurgy (**AusIMM**) careers information forums at Victorian universities to inspire students to pursue mining careers.
- Helping to build a resilient community surrounding the Sunday Creek Project. SXG is a member of the Safer Together Project. This project brings together local community members, council staff and local emergency services to create the Clonbinane/Waterford Community Emergency Plan.
- Establishing a Community Reference Group (**CRG**) for the Sunday Creek Project to build trusting, working relationships and promote information sharing between SXG and the local community. The CRG is independently chaired and meets on a quarterly basis.
- Communicating transparently with the locals through our community website, releasing quarterly community newsletters, regular letterbox drops and social media posts regarding exploration activities. SXG provides one-on-one updates and tours for the community. SXG also has a stand at the Seymour Alternative Farming Field days.
- Meeting bi-monthly with representatives from the Mitchell Shire Council to inform them on all aspects of the Sunday Creek Project.

(f) **Governance**

SXG's governance approach to sustainability is evolving as SXG grows to ensure accountability, transparency and alignment with the high ESG standards of the Towards Sustainable Mining principles. Key elements of this governance framework include that the Board of Directors and executive management actively oversee sustainability initiatives, integrating ESG considerations into the company's strategic planning and decision-making processes.

SXG believes ethical conduct is a core governance principle, with the aim of achieving transparency in reporting and decision-making. This includes clear communication with stakeholders, adherence to applicable legal and regulatory requirements at a corporate and project level, and regular sustainability disclosures in quarterly and annual reports.

## 7.18 Further information

SXG is a "disclosing entity" for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require SXG to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market. As a company listed on the ASX, SXG is subject to Listing Rules, which require (subject to some exceptions) continuous disclosure of any information that SXG has that a reasonable person would expect to have a material effect on the price or value of SXG Shares. SXG is also required to lodge various documents with ASIC and the ASX.

Copies of documents lodged with the ASX are available on ASX's website at [www.asx.com.au](http://www.asx.com.au).

Copies of documents lodged with ASIC by SXG may be obtained from ASIC.

SXG's Shareholders may obtain a copy of SXG's 2024 Annual Report (including its audited financial statements in respect of the year ended 31 May 2024) from ASX's website at [www.asx.com.au](http://www.asx.com.au) or from SXG's website at <https://www.southerncrossgold.com.au/>.

SXG's announcements to ASX since lodgement of SXG's 2024 Annual Report are:

Date	Announcement
30 October 2024	SXG October 2024 Investor Presentation (Amended)
28 October 2024	Results of Annual General Meeting
28 October 2024	SXG October 2024 Investor Presentation
28 October 2024	SXG Drills 1.7m @250g/t Au, 260m stepout at Christina
25 October 2024	SXG Acquires Remaining 30% of Redcastle Gold-Antimony JC=V
25 October 2024	NAG: Sale of Remaining 30% Interest in Redcastle Tenements
16 October 2024	Third High-Grade Au-Sb Zone Confirmed at Sunday Creek
9 October 2024	SXG Commences Regional Geophysical Survey over 6km Strike
4 October 2024	Proposed issue of securities - SXG
4 October 2024	SXG Enters Agreement to Acquire Land
30 September 2024	SXG August 2024 Quarterly Activities Report & Appendix 5B
26 September 2024	2024 AGM – Letter to Shareholders & Proxy Form
26 September 2024	2024 Notice of Annual General Meeting/Proxy Form
26 September 2024	SXG September 2024 Investor Presentation
26 September 2024	SXG Extends High-grade Apollo Mineralisation 100m Down-Dip
6 September 2024	SXG Mines and Wines Technical Presentation – September 2024
5 September 2024	SXG September 2024 Investor Presentation
5 September 2024	SXG Discovers 135m wide Gold-Antimony Zone below Golden Dyke
4 September 2024	Annual General Meeting Date
2 September 2024	Section 708A Notice
2 September 2024	Application for quotation of securities - SXG
29 August 2024	Appendix 4G and Corporate Governance Statement

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## **8. Information about Mawson**

### **8.1 Responsibility for information**

The information set out in this section was prepared by Mawson and Mawson is responsible for the information contained in this section.

### **8.2 Background**

Mawson (TSXV: MAW) is a company listed on the TSXV in Canada with its head office in British Columbia, Canada. Mawson is registered with ASIC as a foreign company in Australia (ARBN 681 229 854).

It is a natural resources company which has been continually engaged in the acquisition and exploration of precious and energy mineral interests since its incorporation in 2004. Mawson's corporate objectives are to discover and define large, long-life precious metal assets. Mawson holds the Skellefteå North gold project and a portfolio of historic uranium resources in Sweden. In May 2022, Mawson spun-off its Australian assets via an IPO of SXG onto the ASX. Mawson currently holds 48.67% (96,590,910) of SXG's Shares (198,446,604) on issue.

Potential changes to the capital structure of the Combined Group are discussed in section 9.5(a) of this Scheme Booklet.

### **8.3 Corporate strategy**

Mawson's corporate objectives are to discover and develop large, long-life, sustainable assets with respect and consideration for its stakeholders, shareholders, employees and communities where it operates, through the development of profitable mining operations and a commitment to safety, social and environmental responsibility.

### **8.4 Directors, company secretary and senior management**

This section provides details of the Mawson Directors and key management personnel of Mawson as at the date of this Scheme Booklet.

#### **(a) Directors**

**Michael Hudson** – Executive Chairman and Interim CEO

*B.Sc. (Hons) GDipAppFin FAusIMM MSEG MAIG*

Director of Mawson since July 2021. Extensive experience in mining exploration globally. Founder of Mawson. Fellow of the Australasian Institute of Mining and Metallurgy and Member of the Society for Economic Geologists and Australian Institute of Geoscientists.

Mr Hudson's other current listed company directorships include SXG.

**Phillip Williams**

More than 15 years of mining and finance industry experience involving fund management and investment banking focused on the metals and mining sector.

**Bruce Griffin**

Resources industry professional who has held directorships, chief executive and senior management roles with mineral sands and pigment companies.

**Noora Ahola - Environmental Director**

Forestry Engineer with experience with experience applying environmental legislation towards nature protection, including with the Finnish environmental administration and The Centre for Economic Development, Transport and the Environment for Lapland. Experienced in ensuring environmental factors are effectively addressed and managed. Responsible for ensuring all environmental requirements are delivered on time and within scope.

**(b) Company Secretary****Mariana Bermudez**

Paralegal services specialist with over 20 years as a corporate secretary, primarily in junior mining companies, providing corporate secretarial, governance, compliance, and disclosure consulting services to various Canadian public-listed issuers on Toronto Stock Exchange, TSX Venture Exchange, OTCMarkets, NYSE-MKT and Nasdaq First North.

**(c) Executive Management Team**

Mawson's executive management team comprises:

- **Michael Hudson** – Executive Chairman and Interim CEO

Refer to section 8.4(a) above for a summary of Mr Hudson's qualifications and experience.

- **Noora Ahola** – Environmental Director

Refer to section 8.4(a) above for a summary of Ms Ahola's qualifications and experience.

- **Nick DeMare** – CFO

Chartered professional accountant, President of Chase Management Inc. since 1991, providing accounting, management, securities regulatory compliance and corporate secretarial services to private and public-listed companies. Serves as an officer and/or director of a number of public-listed companies.

Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia.

**8.5 Capital structure at the Last Practicable Date**

The capital structure of Mawson at the Last Practicable Date is set out below. These numbers do not include the effect of the proposed Mawson Share Consolidation. See Section 8.6 for the effect of the proposed consolidation on the numbers of Mawson Shares and Mawson Options.

<b>Mawson security</b>	<b>Number on issue</b>
Mawson Shares	306,138,320
Mawson Options	2,600,000

## 8.6 Effect of Mawson Share Consolidation

- (a) Under the terms of the Scheme Implementation Agreement, Mawson is required to undertake the Mawson Share Consolidation. The effect of it will be to consolidate the number of Mawson Shares on issue to be equal to the number of SXG Shares that it currently owns, to enable the Scheme Consideration to be calculated using an Exchange Ratio of 1:1.
- (b) The Mawson Share Consolidation will be undertaken in accordance as follows.

<b>Mawson Share Consolidation</b>	
<b>Mawson Shares prior to Mawson Share Consolidation</b>	306,138,320
<b>Consolidation ratio</b>	0.316
<b>Mawson Shares post Mawson Share Consolidation</b>	96,590,910
<b>Mawson Options prior to Mawson Share Consolidation</b>	2,600,000
<b>Mawson Options post Mawson Share Consolidation</b>	820,336

## 8.7 Euro Canna Transaction

Prior to the completion of the Scheme, Mawson intends to undertake the Euro Canna Transaction which will involve, among other matters:

- (a) the transfer by Mawson to SUA Holdings all the Euro Canna Shares in consideration for the issuance by SUA Holdings to Mawson of the SUA Holdings Shares;
- (b) the subscription by Mawson for 6,000,000 SUA Holdings Shares in consideration of CAD \$600,000 cash to provide SUA Holdings with working capital; and
- (c) subject to the receipt of a final order of the Supreme Court of British Columbia, which is expected to be sought on November 13, 2024, and final approval of the TSX Venture Exchange, a statutory arrangement under BCBCA, pursuant to which Mawson will distribute all SUA Holdings Shares it holds to the Mawson Shareholders (other than dissenting shareholders) as a return of capital.

Euro Canna is a wholly owned subsidiary of Mawson and holds the Uranium Projects. On completion of the Euro Canna Transaction, SUA Holdings will directly hold the Uranium Projects and SUA Holdings and Euro Canna will cease to be wholly-owned subsidiaries of Mawson.

Mawson Shareholders passed a special resolution approving the Euro Canna Transaction in the form of a Canadian Plan of Arrangement on 8 November 2024. 99.97% of the votes cast by Mawson Shareholders present in person or represented by proxy at the meeting were in favour of the resolution.

Assuming this transaction is completed before the Scheme is implemented (as is intended by Mawson), SXG Shareholders who are Scheme Participants will not acquire an interest in the Uranium Projects when they receive Scheme Consideration and will not receive any shares in SUA Holdings.

Completion of the Euro Canna Transaction is not a condition precedent to the Scheme. If (contrary to the intentions of Mawson) the Euro Canna Transaction is not completed before

the Scheme is implemented, SXG Shareholders (who are not Ineligible Overseas Shareholders) who become CDI Holders or Mawson Shareholders before the record date for the Euro Canna Transaction distribution will receive the benefit of the distribution of shares in SUA Holdings on the same basis as other shareholders of Mawson.

## 8.8 Recent Mawson share price performance

Mawson Shares are listed on the TSXV under the code 'MAW'.

The closing price of Mawson Shares on the TSXV on 30 July 2024, being the last Trading Day prior to the announcement of the Scheme, was CAD \$0.75.

The closing price of Mawson Shares on the TSXV on the Last Practicable Date was CAD \$1.08.

During the twelve months ending on the Last Practicable Date:

- the highest recorded daily closing price for Mawson Shares on the TSXV was CAD \$1.18 on 23 October 2024; and
- the lowest recorded daily closing price for Mawson Shares on the TSXV was CAD \$0.25 on 12 February 2024.

The diagram below shows the Mawson share price performance over the 12 months to the Last Practicable Date.



Note that the above historical price information is not adjusted for the proposed Mawson Share Consolidation, and so is not directly comparable to historical prices of SXG Shares. See section 8.6 for more information on the effect of the proposed Mawson Share Consolidation.

## 8.9 Substantial shareholders

There are no known substantial shareholders (10% or more) of Mawson Shares known to Mawson as at the Last Practicable Date. Canadian law disclosure requirements apply at 10% rather than 5% as is the case under Australian law.

## 8.10 Mawson Directors' interests in Mawson Shares and SXG Shares

### (a) Interests in Mawson Shares (at the date of the Scheme Booklet)

Director	Mawson Shares
Michael Hudson	3,439,619 (and 1,200,000 options)
Noora Ahola	1,806,000
Bruce Griffin	531,000
Phillip Williams	1,009,844 (and 900,000 Mawson options)

Note: These numbers do not include the effect of the proposed Mawson Share Consolidation. See Section 8.6 for the effect of the proposed consolidation on the numbers of Mawson Shares and Mawson Options.

(b) **Interests in SXG Shares**

Director	SXG Shares
Noora Ahola	65

(c) **Disclosure of interests**

Except as otherwise provided in this Scheme Booklet, no:

- (i) Mawson Director or proposed director of Mawson;
- (ii) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet for or on behalf of Mawson;
- (iii) promoter, stockbroker or underwriter of Mawson or the Combined Group, (together the **Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:
  - (iv) the formation or promotion of Mawson or the Combined Group;
  - (v) property acquired or proposed to be acquired by Mawson in connection with the formation or promotion of Mawson or the Combined Group or the offer of Mawson CDIs or New Mawson Shares under the Scheme; or
  - (vi) the offer of Mawson CDIs or New Mawson Shares under the Scheme.

(d) **Disclosure of fees and other benefits**

Except as otherwise disclosed in this Scheme Booklet, Mawson has not paid or agreed to pay any fees, or provided or agreed to provide any benefit:

- (i) to a director or proposed director of Mawson to induce them to become or qualify as a director of Mawson;
- (ii) for services provided by any Interested Persons in connection with:
  - (A) the formation or promotion of Mawson or the Combined Group; or
  - (B) the offer of Mawson CDIs or New Mawson Shares under the Scheme.

### 8.11 Mawson's employee incentive plans

The Mawson Board assesses remuneration each year and periodically reviews Mawson's remuneration structure. While remuneration is set using financial measures, when making remuneration recommendations the Mawson Board also considers a range of non-financial risks and outcomes.

(a) **Mawson short term / long term incentive plan**

Mawson established a stock option plan in December 2023 allowing the Mawson board authority to grant options to purchase common shares in Mason to directors,

officers, employees and contractors of Mawson on terms determined by the board, up to an aggregate of 10% of the issued and outstanding common shares of Mawson.

## 8.12 Rights and restrictions attaching to Mawson CDIs and New Mawson Shares

The rights and restrictions attaching to Mawson CDIs and New Mawson Shares which will be issued to Scheme Participants as Scheme Consideration will be the same as those attaching to existing Mawson Shares and will rank equally with all issued fully paid common shares of Mawson from the date of issue. These rights and restrictions are detailed in the Mawson Articles and are subject to the BCBCA and the TSXV Corporate Finance Manual. The table below summarises some of the key provisions in the Mawson Articles in relation to the rights and restrictions currently attaching to Mawson Shares. This summary does not purport to be exhaustive and must be read subject to the full text of the Mawson Articles. A copy of the Mawson Articles is available on SEDAR+ under Mawson's profile at [www.sedarplus.ca](http://www.sedarplus.ca) and on Mawson's website at [www.mawsongold.com](http://www.mawsongold.com), by mail to 1090 West Georgia Street, Suite 1305, Vancouver, British Columbia V6E 3V7 (Attention: Corporate Secretary) or by email to: [info@mawsongold.com](mailto:info@mawsongold.com).

SXG Shareholders should seek their own independent advice in relation to their rights and restrictions as potential holders of Mawson Shares in specific circumstances.

Item	Description
<b>Recognition of Trusts</b>	Except as required by law or the Mawson Articles, no person will be recognised by Mawson as holding any share upon any trust, and Mawson is not bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or the Mawson Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the Mawson Shareholder.
<b>Issue of further Mawson Shares</b>	Subject to the BCBCA and the rights, if any, of the holders of issued Mawson Shares, the Mawson Board may from time-to-time issue, allot, sell or otherwise dispose of unissued Mawson Shares and issued Mawson Shares held by Mawson, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors of Mawson may determine. The issue price for a share with par value must be equal to or greater than the par value of the share. Mawson's authorised share structure consists of an unlimited number of common shares without par value. Except as provided for by the BCBCA, no Mawson Share may be issued until it is fully paid.
<b>Mawson Share transfers</b>	A transfer of Mawson Shares may only be made in accordance with Articles, the BCBCA, applicable Canadian securities law and the requirements imposed by Mawson's transfer agent.
<b>Borrowing powers</b>	Mawson, if authorised by the directors, may:

Item	Description
	<p>(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;</p> <p>(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of Mawson or any other person and at such discounts or premiums and on such other terms as they consider appropriate;</p> <p>(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and</p> <p>(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of Mawson.</p>
<p><b>Meetings of Mawson Shareholders</b></p>	<p>Unless an annual general meeting is deferred or waived in accordance with the BCBCA, Mawson must hold an annual general meeting at least once in each calendar year and not more than 15 months after the date of the last annual general meeting at such time and place as may be determined by the directors.</p> <p>Mawson must send notice of the date, time and location of any meeting of shareholders, in the manner provided in the Mawson Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each Mawson Shareholder entitled to attend the meeting, to each director and to the auditor of Mawson, unless the Mawson Articles otherwise provide, at least 21 days before the meeting if and for so long as Mawson is a public company.</p> <p>The quorum for the transaction of business at a meeting of Mawson Shareholders is two person who are, or who represent by proxy, Mawson Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.</p>
<p><b>Voting</b></p>	<p>The BCBCA defines “ordinary resolution” as a resolution:</p> <p>(1) passed at a general meeting by a simple majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings, or</p> <p>(2) passed, after being submitted to all of the shareholders holding shares that carry the right to vote at general meetings, by being consented to in writing by shareholders holding shares that carry the right to vote at general meetings who, in the aggregate, hold shares carrying at least a special majority of the votes entitled to be cast on the resolution.</p>

Item	Description
	<p>and a “special resolution” as a resolution passed at a general meeting under the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) notice of the meeting specifying the intention to propose the resolution as a special resolution is sent to all shareholders holding shares that carry the right to vote at general meetings at least the prescribed number of days before the meeting;</li> <li>(2) the majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings is cast in favour of the resolution;</li> <li>(3) the majority of votes cast in favour of the resolution constitutes at least a special majority.</li> </ol> <p>The Mawson Articles provide that the majority of votes required for Mawson to pass a special resolution at a meeting of Mawson Shareholders is two-thirds (<math>\frac{2}{3}</math>) of the votes cast on the resolution.</p> <p>Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders:</p> <ol style="list-style-type: none"> <li>(1) on a vote by show of hands, every person present who is a Mawson Shareholder or proxy holder and entitled to vote on the matter has one vote; and</li> <li>(2) on a poll, every Mawson Shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that Mawson Shareholder and may exercise that vote either in person or by proxy.</li> </ol> <p>A person who is not a Mawson Shareholder may vote at a meeting of Mawson Shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a Mawson Shareholder who is entitled to vote at the meeting.</p>
<b>Dividends</b>	<p>Subject to the rights, if any, of Mawson Shareholders holding shares with special rights as to dividends and the BCBCA, the directors of Mawson may from time to time declare and authorise payment of such dividends as they may deem advisable. The directors need not give notice to any Mawson Shareholder of any declaration of dividends. The directors may set a date as the record date for the purpose of determining Mawson Shareholders entitled to receive payment of a dividend and the resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of Mawson, or in any one or more of those ways.</p>
<b>Rights on winding up</b>	<p>Subject to the rights of holders of Mawson Shares issued with special rights or restrictions, upon the liquidation or dissolution of Mawson, the common law presumption of equality among Mawson Shareholders prevails and the Mawson Shareholders are entitled to</p>

Item	Description
	share in the properties and assets of Mawson remaining after all the liabilities of Mawson have been satisfied. Each Mawson Share has the same claim as any other Mawson Share of any other class on the residual assets of Mawson.
<b>Variation of special rights and restrictions</b>	<p>Subject to the BCBCA, Mawson may by a resolution of the directors or by ordinary resolution:</p> <ol style="list-style-type: none"> <li>(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued;</li> <li>(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued; or</li> <li>(3) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value.</li> </ol> <p>and alter its Notice of Articles accordingly.</p>
<b>Amendments to the Mawson Articles</b>	Subject to the BCBCA, Mawson may alter its authorised share structure and, if applicable, alter its Notice of Articles and, if applicable, the Mawson Articles, accordingly by a resolution of the directors or by ordinary resolution as specified by the Mawson Articles. If the BCBCA does not specify the type of resolution and the Mawson Articles do not specify another type of resolution, Mawson may by ordinary resolution alter the Mawson Articles.

### 8.13 Interests in SXG Shares and Benefits

Mawson is the registered holder of 96,590,910 SXG Shares as at the date of this Scheme Booklet. Potential changes to the capital structure of the Combined Group are discussed in section 9.5(a) of this Scheme Booklet.

### 8.14 Historical financial information

This section 8.14 contains the audited historical consolidated statements of financial position as at 31 May 2024 and 31 May 2023 of Mawson (the **Mawson Historical Financial Information**). The full financial statements of Mawson for a number of reporting periods are available at <https://mawsongold.com/investors/financial-statements/>.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

#### Basis of preparation

The Mawson Historical Financial Information presented in this Scheme Booklet is in an abbreviated form and does not contain all presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act and should therefore be read in conjunction with the financial statements of Mawson for the respective periods, including the description of the significant

accounting policies contained in those financial statements and the notes to those financial statements.

The Mawson Historical Financial Information is disclosed in the financial statements for the periods ended 31 May 2024 and 31 May 2023 which have been lodged with the British Columbia Securities Commission (**BCSC**) and are available from Mawson's website ([www.mawsongold.com](http://www.mawsongold.com)).

Mawson Historical Financial Information as at the end of and for the respective periods has been derived from Mawson's consolidated financial statements for the years ended 31 May 2024 and 31 May 2023. These statements were audited by D&H Group LLP for the periods ending 31 May 2024 and 31 May 2023, in accordance with the Canadian generally accepted auditing standards. D&H Group LLP issued unqualified audit opinions on these consolidated financial statements.

The significant accounting policies used in the preparation of the Mawson Historical Financial Information are consistent with those set out in Mawson's annual report for the years ended 31 May 2024 and 31 May 2023.

The Mawson Historical Financial Information has been prepared in accordance with the IFRS Accounting Standards (**IFRS**).

## (a) Consolidated Mawson Historical Financial Information

**MAWSON GOLD LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Expressed in Canadian Dollars)*

	Note	May 31, 2024 \$	May 31, 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		15,497,519	14,680,432
GST/VAT receivable		238,188	220,396
Prepaid expenses and other assets		129,195	91,760
<b>Total current assets</b>		<b>15,864,902</b>	<b>14,992,588</b>
<b>Non-current assets</b>			
Investments	5	492,506	1,896,771
Property, plant and equipment	6	3,256,581	2,096,311
Exploration and evaluation assets	7	20,522,968	56,160,996
Right of use assets	8	202,759	840,375
Bonds		69,545	236,719
<b>Total non-current assets</b>		<b>24,544,359</b>	<b>61,231,172</b>
<b>TOTAL ASSETS</b>		<b>40,409,261</b>	<b>76,223,760</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		1,380,052	1,739,932
Current portion of lease liabilities	8	100,124	139,537
<b>Total current liabilities</b>		<b>1,480,176</b>	<b>1,879,469</b>
<b>Non-current liabilities</b>			
Lease liabilities	8	103,519	710,097
<b>TOTAL LIABILITIES</b>		<b>1,583,695</b>	<b>2,589,566</b>
<b>EQUITY</b>			
Share capital	9	97,678,699	93,993,681
Share-based payments reserve		9,382,338	10,683,524
Equity attributable to parent		11,947,523	8,268,857
Foreign currency translation reserve		(602,677)	(431,946)
Deficit		(96,569,072)	(52,750,309)
Equity attributable to Company shareholders		21,836,811	59,763,807
Non-controlling interest	10	16,988,755	13,870,387
<b>TOTAL EQUITY</b>		<b>38,825,566</b>	<b>73,634,194</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>40,409,261</b>	<b>76,223,760</b>

Nature of Operations and Going Concern - see Note 1

Events after the Reporting Period - see Note 18

These consolidated financial statements were approved for issue by the Board of Directors on September 25, 2024 and are signed on its behalf by:

/s/ Noora Ahola  
Noora Ahola  
Director

/s/ Michael Hudson  
Michael Hudson  
Director

## 8.15 Historical capital raising

No financings were completed by the Company during the 2024 or 2023 periods.

On 9 December 2021, Mawson closed a CAD\$5,500,050 million public offering and sold 36,667,000 Mawson Shares at a price of CAD\$0.15 per Mawson Share. Mawson also issued

2,200,020 broker warrants each warrant entitling the holder to purchase a Mawson Share at a price of CAD\$0.15 per share until December 9, 2023.

#### 8.16 Further information

On request to Mawson and free of charge, SXG Shareholders may obtain a copy of:

- the audited consolidated financial statements of Mawson for the year ended 31 May 2024 and the related Management's Discussion and Analysis (the "**31 May 2024 Annual Report**") (being the annual financial report most recently lodged with the Canadian securities regulatory authorities before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to the Canadian securities regulatory authorities by Mawson since the lodgement with the Canadian securities regulatory authorities of the 31 May 2024 Annual Report and before lodgement of this Scheme Booklet with ASIC.

A list of announcements and filings pursuant to the continuous disclosure requirements under applicable Canadian securities law made by Mawson from the date of lodgement of the 31 May 2024 Annual Report to the Last Practicable Date is included below.

Date	Announcement / Filing
26 September 2024	Form 13-501F1 – Class 1 Reporting Issuers and Class 3B Reporting Issuers – Participation Fee
26 September 2024	Form 13-502F1 Class 1 and Class 3B Reporting Issuers – Participation Fee
26 September 2024	Management discussion and analysis for the year ended May 31 2024
26 September 2024	Form 52-109FV1 – Certification of Annual Filings (Michael Hudson)
26 September 2024	Form 52-109FV1 – Certification of Annual Filings (Nick DeMare)
26 September 2024	News release announcing SXG extending its high-grade mineralisation 100 metres down-dip at Apollo
4 October 2024	News release announcing SXG's entry into an agreement to acquire residential holdings
9 October 2024	News release announcing SXG's commencement into a regional geophysical survey over a 6km strike
10 October 2024	Letter of transmittal for common shares of Mawson Gold
10 October 2024	Certificate of corporate secretary
10 October 2024	2025 Request for Annual and Interim Financial Statements
10 October 2024	Notice of Meeting, Information Circular and Form of Proxy
10 October 2024	Consent for qualified person – Mark Saxon
10 October 2024	Form of Proxy - Annual General and Special Meeting to be held on Thursday, November 7, 2024
10 October 2024	Consent of qualified person – Geoff Reed
10 October 2024	Notice of 2024 Annual General and Special Meeting of Shareholders

Date	Announcement / Filing
10 October 2024	Report on current Resource Estimate for Kläppibäcken Uranium Property
10 October 2024	Sunday Creek Gold-Antimony Project Victoria, Australia
16 October 2024	News release announcing SXG's high-grade gold-antimony mineralised zone at Sunday Creek Project
25 October 2024	News release announcing SXG's acquisition of the remaining 30% of the Redcastle gold-antimony joint venture
28 October 2024	News release announcing SXG's Christina 260 Metre Strike Extension Confirmed as Fourth High-Grade Zone at Sunday Creek Project
29 October 2024	Mawson Gold's condensed consolidated interim financial statements for three months ended August 31, 2024
29 October 2024	Interim Management Discussion and Analysis
29 October 2024	Form 52-109FV1 – Certification of Interim Filings (Nick DeMare)
29 October 2024	Form 52-109FV1 – Certification of Interim Filings (Michael Hudson)
7 November 2024	News release announcing results of annual general and special meeting of shareholders and provides an update on spinout and scheme of arrangement

#### 8.17 No other material information known to Mawson

Except as disclosed elsewhere in this Scheme Booklet, so far as Mawson is aware, as at the date of the Scheme Booklet, there is no other information that is:

- material to the making of a decision by a SXG Shareholder whether or not to vote in favour of the Scheme; and
- known to Mawson, at the date of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to SXG Shareholders.

## 9. Overview of the Combined Group

### 9.1 Responsibility for information

The information set out in this section was prepared by Mawson and Mawson is responsible for the information contained in this section (except to the extent that SXG has provided Mawson with information for the purpose of Mawson preparing this section, for which SXG takes responsibility).

### 9.2 Overview of the Combined Group

Southern Cross Gold Consolidated Ltd will be the new holding company of the assets and projects currently owned by SXG. See Section 7.4 for an overview of these assets and projects.

Its corporate objectives will be to discover and develop high-margin, long-life, sustainable precious and critical metal assets in Australia, which create value for shareholders and all stakeholders in their communities. See section 7.17 for a summary of SXG's commitment to sustainability and stakeholder interest.

### 9.3 Capital structure and ownership

Set out below is an indicative outline of the Combined Group's capital structure on implementation of the Scheme. These numbers include the effect of the Mawson Share Consolidation, which is described in section 8.6, and assumes completion of the Share Swap Agreement before the Record Date, which is described in section 7.8.

Mawson Shareholder (post Scheme)	Number of shares	% of Combined Group <sup>1</sup>
Mawson Shares (current Mawson Shareholders)	96,590,910	43.80%
New Mawson Shares (current SXG Shareholders (other than Mawson), including in CDI form)	123,944,364	56.20%
<b>Total Mawson Shares</b>	<b>220,535,274</b>	<b>100%</b>

#### New Mawson Options

Number	Exercise price	Expiry date
1,105,000	A\$0.87	28 November 2025
1,964,667	A\$0.30	16 May 2025
1,350,000	A\$0.30	5 May 2025
820,336	C\$0.76	10 February 2026
2,783,333	A\$0.30	5 May 2026
2,783,333	A\$0.30	5 May 2027
1,250,000	A\$0.66	15 August 2026
3,550,000	A\$1.20	7 November 2026
1,500,000	A\$1.20	23 October 2026

### New Mawson Restricted Stock Units

Number	Vesting conditions and other terms	Expiry date
130,000	To maintain current SXG	26 July 2026
150,000	Performance Rights terms	26 July 2029

#### 9.4 Expected Substantial shareholders in the Combined Group

A relatively large number of the Mawson Shares are currently held by depositary nominees. The substantial shareholders (10% or more) of Combined Group Shares are expected to be as follows, based on underlying beneficial holdings known to Mawson and SXG (which may be incomplete due to the nature of the registered holdings in Mawson). Canadian law disclosure requirements apply at 10% rather than 5% as is the case under Australian law.

Substantial Mawson Shareholder	Approximate beneficial interest
Darren Morcombe	10.01%

#### 9.5 Anticipated changes to the Combined Group capital structure

##### (a) Capital raising initiatives

As an exploration company, the Combined Group may need to raise additional funding from time to time as part of the normal course of its operations and to maintain and advance its projects. If the Scheme is implemented, the Combined Group may engage in capital raising activities, as it deems necessary. This may include equity and/or debt funding.

No capital raising transaction is planned at the date of this Scheme Booklet. It is possible that the Combined Group may find it advantageous to raise capital within six months of the implementation of this Scheme, depending on capital markets at the relevant time and the Combined Group's funding needs.

At the date of this Scheme Booklet, the Directors of SXG (being the incoming board of Mawson) have not formed a view on the timing of any potential capital raise, the amount of funding that may be raised, the number and issue price of securities to be issued if a raise is conducted, nor the means of raising that capital. The Combined Group will make disclosures in relation to its planned capital raising initiatives at the appropriate time.

##### (b) Share issue as consideration for property acquisitions

SXG entered into the Share Swap Agreement on 4 October 2024 in respect of its acquisition of a private company which owns freehold agricultural and residential land contiguous with SXG's existing tenements, to be used for the purpose of SXG's existing projects. The purchase price comprises 22,088,670 SXG Shares.

Further detail of the acquisition is outlined in Section 7.8 of this Scheme Booklet.

As a result of the SXG Shares issued as consideration under the Share Swap Agreement, Darren Morcombe as the vendor is expected to have a substantial holding of greater than 10% of the total issued share capital of SXG.

## 9.6 Board and management of the Combined Group

### (a) Directors

It is intended that if the Scheme is implemented, the Mawson Board will be reconstituted so that it comprises the current members of the SXG Board of directors.

A summary of the qualifications and experience of each incoming director is set out in section 7.6.

### (b) Senior management

The Combined Group will be led by the experienced management team of SXG consisting of the Managing Director, Company Secretary, General Manager, Exploration Manager and Manager Corporate Development.

## 9.7 Corporate governance

Mawson's corporate governance policies are not materially different from those of SXG. The Combined Group intends to adopt SXG's corporate governance policies, updated to comply with TSXV and Canadian securities laws.

## 9.8 Strategic rationale for the Scheme

The acquisition of SXG by Mawson is expected to enhance the Combined Group and provide a number of benefits, including:

- **Simplification of Structure:** SXG and Mawson anticipate immediate benefits for shareholders through a more transparent and institutional-investible structure. SXG believes this will lead to a potential revaluation of the asset, reducing the cost of capital to advance the Sunday Creek Project to become one of the highest margin gold assets globally.
- **Direct Exposure to Sunday Creek:** The Scheme and the listing of Mawson shares on both the ASX and TSXV offers new and existing shareholders direct exposure to the globally leading Sunday Creek Project. The North American market has greatly benefited from the wealth generated from the rebirth of the Victorian goldfields in Australia over the last 8 years.
- **Institutional Support:** The Scheme will transition the combined entity's shareholder base to a more institutionally dominated and supportive register. SXG brings both a high-quality register with a significant overlap of current Mawson shareholders and access to further high quality global and supportive Australian and European institutional shareholders.
- **Cost Reduction and Share Fungibility:** Consolidating separate companies 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 SXG, ensuring continuity and leveraging their expertise. The Combined Group will be led by Mr. Tom Eadie as Non-Executive Chairman and Mr. Michael Hudson as Managing Director/President & CEO.

## 9.9 Mawson's intentions for the business, assets and employees of SXG

This section sets out the current intentions of Mawson in relation to the Combined Group if the Scheme is implemented. These intentions are based on facts and information known to

Mawson at the time of preparing this Scheme Booklet that concern Mawson and SXG as well as the general economic and business environment and are statements of current intention only and, accordingly, may vary as new information becomes available or circumstances change.

(a) **Business**

If the Scheme is implemented, Mawson intends to continue the business of SXG in a similar manner as it is currently operating.

(b) **Assets**

Mawson intends that if the Scheme is implemented, SXG will continue to hold the assets which it currently owns. If Mawson still holds its current Skelleftea North gold project joint venture interest when the Scheme is implemented, then the incoming directors of Mawson (namely the current SXG Directors) intend to review the Combined Group's interest in the Skellefteå North gold project, and may consider disposing of that interest in order to focus on SXG's current assets.

(c) **Employees**

Mawson's current view is to retain all employees of SXG on their current terms.

(d) **SXG to be delisted**

If the Scheme is implemented, SXG will be removed from the official list of the ASX. Following implementation of the Scheme, and as part of the review noted above, Mawson will consider whether SXG should be converted to a proprietary company. Should Mawson determine to convert SXG to a proprietary company, Mawson will cause SXG to adopt a constitution in a customary form for a proprietary company in replacement of SXG's existing constitution. Mawson plans to dual list on the ASX, and have its shares quoted in CHESS Depository Interest (CDI) form. Mawson will change its name to Southern Cross Gold Consolidated Ltd. Mawson has reserved the ticker symbol "SXGC" on the TSXV.

## 9.10 Dividend policy

If the Scheme is implemented, the payment of future dividends to shareholders of the Combined Group will be at the discretion of the directors of Mawson and will be a function of a number of factors including general business conditions, the operating results and financial condition of the Combined Group, its strategy, future funding requirements including an assessment of the capital required for new investments, compliance with debt facilities, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by the Combined Group and any other factors the directors of the Combined Group may consider relevant.

## 9.11 Prospects of the Combined Group

If the Scheme is implemented, the Combined Group will be a gold-antimony mineral exploration group with sufficient scale and liquidity to capitalise on opportunities arising across a range of resource activities and attract an expected lower cost of equity capital which will allow the Sunday Creek Project to continue its path to development.

The significant step change in scale and shareholder liquidity is expected to improve the Combined Group's position in market indices.

## 9.12 Pro forma financial information

In this Scheme Booklet (including in this section 9), references to “**Combined Group Pro Forma Historical Information**” are references to the pro forma historical consolidated statement of financial position as at 31 May 2024 and other pro forma historical information of the Combined Group during the relevant period or at the relevant time, being the corporate group that will be formed as it will exist immediately following implementation of the Scheme.

The Directors of Mawson are responsible for the preparation and presentation of the Combined Group Pro Forma Historical Statement of Financial Position.

The pro forma historical statement of financial position in this section is presented in an abbreviated form and does not contain all presentation, comparatives, disclosures and statements that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

## 9.13 Basis of preparation and pro forma adjustments

The Combined Group Pro Forma Historical Statement of Financial Position has been prepared for illustrative purposes, in order to give SXG Shareholders an indication of the financial position of the Combined Group as if the Scheme had been implemented as at 31 May 2024. By its nature, pro forma historical information is illustrative only. Consequently, it does not purport to reflect the actual financial position of the Combined Group if it had operated on a combined basis for the relevant periods. Past performance is not a guide to future performance.

### (a) Basis of preparation

The Combined Group Pro Forma Historical Statement of Financial Position for the period ended 31 May 2024 has been derived from:

- (i) Mawson's audited financial report for the year ended 31 May 2024; and
- (ii) pro forma adjustments described in section 9.14 below.

The Combined Group Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles set out in Australian Accounting Standards, as issued by the Australian Accounting Standards Board (**AAS**), which comply with the recognition and measurement principles of the International Accounting Standards Board and interpretations adopted by the International Accounting Standards Board, other than it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 31 May 2024 in the Combined Group Pro Forma Historical Statement of Financial Position.

The Combined Group Pro Forma Historical Statement of Financial Position has been prepared in accordance with and should be read in conjunction with the accounting policies detailed in Mawson's Annual Report for the year ended 31 May 2024. An assessment has been undertaken by Mawson and SXG to identify any significant accounting policy differences where the impact is potentially material to the Combined Group and could be reliably estimated. Neither Mawson nor SXG have identified any significant accounting policy differences where the impact is potentially material to the Combined Group.

#### 9.14 Combined Group Pro Forma Historical Statement of Financial Position

Set out in the following table is the Combined Group Pro Forma Historical Statement of Financial Position as at 31 May 2024 and should be read in conjunction with basis of preparation and pro forma adjustments as set out in section 9.13.

The first column titled “Mawson Gold Limited, May 31, 2024” represents Mawson's audited financial report for the year ended 31 May 2024. It already includes SXG's assets and liabilities because Mawson consolidates SXG in its audited financial statements (on the basis that Mawson has practical control of SXG). The separate assets and liabilities of SXG on a stand-alone basis are shown in SXG's audited statement of financial position at 31 May 2024 – see section 7.11(b).

Not shown in the Combined Group Pro Forma Historical Statement of Financial Position is the following detail:

- (a) The contribution of Mawson (excluding SXG) to the Total Liabilities item was approximately CAD \$142,000 at 31 May 2024. This total liability figure (excluding SXG's consolidated liabilities) was approximately CAD \$366,000 at 31 October 2024.
- (b) The contribution of Mawson (excluding SXG) to the Cash item was CAD \$3,329,500 at 31 May 2024. Mawson's cash (excluding SXG's consolidated cash) was approximately CAD \$2.45 million at 31 October 2024.

The Combined Group Pro Forma Historical Statement of Financial Position has not been adjusted to reflect:

- the performance and operation of Mawson or SXG since 31 May 2024; and
- any synergies, any costs of realising synergies and business improvements arising following implementation of the Scheme.

All numbers included in this Combined Group Pro Forma Historical Statement of Financial Position as at 31 May 2024 are denominated in Canadian Dollars.

	Mawson Gold Limited May 31, 2024 \$	Pro-Forma Adjustments \$	Consolidated Pro-Forma May 31, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	15,497,519	(600,000) (B) (1,269,520) (C) 17,002,500 (D) (1,761,596) (D) (226,700) (E)	28,642,203
GST/VAT receivable	238,188	-	238,188
Prepaid expenses and deposits	129,195	-	129,195
<b>Total current assets</b>	<u>15,864,902</u>	<u>13,144,684</u>	<u>29,009,586</u>
<b>Non-current assets</b>			
Investments	492,506	-	492,506
Investment in SUA Holdings	-	645,000 (B) (645,000) (B)	-
Property, plant and equipment	3,256,581	14,041,935 (D)	17,298,516
Exploration and evaluation assets	20,522,968	(45,000) (B) 34,813,180 (D) 226,700 (E)	55,517,848
Right of use assets	202,759	-	202,759
Bonds	69,545	-	69,545
<b>Total non-current assets</b>	<u>24,544,359</u>	<u>49,036,815</u>	<u>73,581,174</u>
<b>TOTAL ASSETS</b>	<u>40,409,261</u>	<u>62,181,499</u>	<u>102,590,760</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	1,380,052	-	1,380,052
Current portion of lease liabilities	100,124	-	100,124
<b>Total current liabilities</b>	<u>1,480,176</u>	<u>-</u>	<u>1,480,176</u>
<b>Non-current liabilities</b>			
Lease liabilities	103,519	-	103,519
<b>TOTAL LIABILITIES</b>	<u>1,583,695</u>	<u>-</u>	<u>1,583,695</u>
<b>EQUITY</b>			
Share capital	97,678,699	238,466,050 (A) (645,000) (B) 64,096,019 (D)	399,595,768
Share-based payments reserve	9,382,338	-	9,382,338
Equity attributable to parent	11,947,523	(11,947,523) (A)	-
Foreign currency translation reserve	(602,677)	-	(602,677)
Accumulated losses	(96,569,072)	(209,529,772) (A) (1,269,520) (C)	(307,368,364)
	<u>21,836,811</u>	<u>79,170,254</u>	<u>101,007,065</u>
<b>Non-controlling interest</b>	<u>16,988,755</u>	<u>(16,988,755) (A)</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u>38,825,566</u>	<u>62,181,499</u>	<u>101,007,065</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>40,409,261</u>	<u>62,181,499</u>	<u>102,590,760</u>

These historical pro-forma consolidated financial statements of Mawson, as at 31 May 2024, have been prepared by management after giving effect to a definitive binding scheme implementation agreement with SXG, pursuant to which Mawson proposes to acquire all of the ordinary shares of SXG that Mawson does not already own by way of a scheme of arrangement under the laws of Australia.

The basis of preparation is as follows:

1. At May 31, 2024 SXG has 194,725,687 shares issued and outstanding.
2. At May 31, 2024 Mawson has 305,195,320 shares issued and outstanding.
3. At May 31, 2024 Mawson owns 96,590,910 SXG Shares.
4. The Scheme Implementation Agreement calls for the consolidation of the issued and outstanding shares of Mawson such that the post consolidation number of shares outstanding is equal to the number of shares of SXG owned by Mawson. In round numbers the consolidation ratio is 3.16 existing for 1 new Mawson Gold share.
5. The closing price of Mawson Shares as at 31 May 2024 was CAD \$0.77 (**MAW Closing Price**).
6. At 31 May 2024 there are 98,134,177 SXG Shares not owned by Mawson.
7. In accordance with the Scheme Implementation Agreement Mawson will issue 98,134,177 Mawson CDIs or New Mawson Shares (**New Mawson Securities**) (as per shareholder election) to acquire the balance of SXG Shares.
8. The value ascribed to each Mawson Share in note 7 above is the closing price in note 5, multiplied by the Mawson Share Consolidation ratio (being 3.16 as noted in note 4 above) is CAD \$2.43 (being 98,134,177 Mawson CDIs or New Mawson Shares multiplied by CAD \$2.43).

#### Pro forma adjustments overview

The Pro forma adjustments noted below have been included in the Combined Group Pro Forma Historical Statement of Financial Position as at 31 May 2024:

- (A) Mawsons share capital increases by the number of Mawson Shares issued (including in the form of CDIs), being 98,134,177 New Mawson Securities, multiplied by the post consolidation price per share (CAD \$2.43) for a value of CAD \$238,466,050, this is what is credited to share capital. The offsetting adjustments are to eliminate non-controlling interest and equity of parent with the balance being charged to accumulated losses.
- (B) As part of the transaction Mawson will transfer CAD \$600,000 cash and its shares in a wholly owned subsidiary which holds the uranium assets in Sweden into a separate wholly-owned subsidiary (SUA Holdings). The cost of the Swedish uranium assets is approximately CAD \$45,000. The shares of SUA Holdings will be distributed to the Mawson shareholders, by way of a return of capital, prior to closing the Scheme. The result of this transaction is that Cash will decrease by CAD \$600,000, Exploration and Evaluation Assets will decrease by CAD \$45,000 and share capital will decrease by CAD \$645,000.
- (C) Adjustment for costs of the transaction of CAD \$1,269,520 (AUD \$1,400,000) reducing the cash and cash equivalents post completion and an increase in accumulated losses.
- (D) Adjustment for the acquisition of Sparr Nominees Pty Ltd (**Sparr**) for consideration of 22,088,670 SXG Shares, with the deemed share price as CAD \$2.90 (AUD \$3.20) per share. As part of the acquisition, SXG will acquire CAD \$14,041,935 in freehold land

and CAD \$17,002,500 in cash. The adjustment also includes the cash payment of CAD \$1,761,596 for the acquisition of properties.

- (E) Adjustment for the acquisition of the remaining 30% in SXG's Redcastle Project for cash consideration of CAD \$226,700.

### **Material accounting policies**

Material accounting policies are set out in the historical financial statements of both Mawson and SXG for the financial year ended 31 May 2024. In-addition, the following accounting policy has been applied in-respect of the acquisition of the non-controlling interest held in SXG:

#### *Acquisition of non-controlling interests*

When a parent acquires non-controlling interests of a subsidiary, the transaction is accounted for as an equity transaction and the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the change in interest in the subsidiary. The difference between the fair value of the issue of scrip consideration for the acquisition of the non-controlling interest and the non-controlling interest retired from equity has been taken to accumulated losses in equity. No profit or loss arose from this common control transaction.

### **Critical accounting estimates**

The critical accounting estimates below have been adopted whilst preparing the Combined Group Pro Forma Historical Statement of Financial Position as at 31 May 2024:

#### *Exchange of SXG options and performance rights to Mawson Securities*

The Combined Group Pro Forma Historical Statement of Financial Position as at 31 May 2024 does not account for any exchange of SXG options and performance rights (SXG Securities) to Mawson Securities as there are no changes to the exercise price, vesting criteria or period to expiry of the relevant SXG Securities.

### **9.15 Working capital**

SXG and Mawson expect that the Combined Group will have enough working capital at the time of the proposed admission of Mawson to ASX to carry out the Combined Group's stated objectives.

### **9.16 Financial forecasts**

Each of the Mawson Board and the SXG Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group. Each of the Mawson Board and the SXG Board has concluded that such forecast financial information would have the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either SXG Shareholders or Mawson Shareholders.

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## 10. Risk factors

### 10.1 Overview

This section describes certain key risks associated with the Scheme. It outlines:

- (a) risks relating to the Scheme;
- (b) specific risks relating to the Combined Group; and
- (c) risks to SXG Shareholders if the Scheme does not proceed.

The outline of risks in this section is a summary only and should not be considered exhaustive. This section does not attempt to set out every risk that may be associated with an investment in SXG, Mawson or the Combined Group now or in the future. The occurrence or consequences of some of the risks described in this section may be partially or completely outside the control of SXG, Mawson or the Combined Group.

### 10.2 Risks relating to the Scheme

#### (a) **Fluctuation of implied value of Scheme Consideration**

Under the terms of the Scheme, Mawson will issue Mawson CDIs or New Mawson Shares (as applicable) to Scheme Participants as the Scheme Consideration.

The price of Mawson Shares may fluctuate after the Implementation Date due to a range of factors including general market conditions and commodity prices of minerals mined by Mawson and SXG.

The value that Scheme Participants may realise on the sale of their Mawson CDIs or New Mawson Shares will depend on the price at which Mawson CDIs or Mawson Shares trade on the ASX or TSXV (respectively) after the Implementation Date.

Some Scheme Participants may not wish to continue to hold their Mawson CDIs or New Mawson Shares and may sell them on the ASX soon after the Implementation Date. There is a risk that such sales, or the perception that such sales may occur, may drive down the price of Mawson Shares in the short term.

In any event, there is no guarantee regarding the market price of Mawson Shares before the Scheme Meeting or after the Implementation Date. Future market prices may be either above or below current or historical market prices.

#### (b) **Completion of the Scheme is subject to various Scheme Conditions**

The implementation of the Scheme is subject to the satisfaction or waiver of the Scheme Conditions (which are summarised in section 5.3 of this Scheme Booklet).

The Scheme will not proceed if the relevant Scheme Conditions are not satisfied or waived (as applicable) before the End Date.

There can be no certainty, nor can SXG provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. There are also a number of conditions which are outside the control of SXG, including, but not limited to, approval of the Scheme by the Requisite Majorities of SXG Shareholders.

A failure to satisfy any of the Scheme Conditions, or a delay in satisfying the Scheme Conditions and implementing the Scheme, may adversely affect the market price of SXG Shares.

(c) **Scheme Implementation Agreement may be terminated**

Each of SXG and Mawson has the right to terminate the Scheme Implementation Agreement in certain circumstances as set out in section 5.7 of this Scheme Booklet. Accordingly, there is no certainty that the Scheme Implementation Agreement will not be terminated by either SXG or Mawson before the implementation of the Scheme.

If the Scheme Implementation Agreement is terminated, there is no assurance that the SXG Board will be able to find a party willing to pay an equivalent or greater price for SXG Shares than the price to be paid pursuant to the terms of the Scheme Implementation Agreement.

The Scheme is subject to various Conditions Precedent that must be satisfied or waived in order for the Scheme to be implemented, which are outlined in the Scheme Implementation Agreement. The Conditions Precedent include that there is no SXG Material Adverse Change and no Mawson Material Adverse Change. One of the risks of having a qualitative material adverse change clause (as distinct from a strictly quantitative or monetary threshold clause) is that the clause may be engaged in a wider range of circumstances and that individual elements of that test may be more likely to be subject to argument or interpretation. Equally, having a quantitative test means that the individual elements of that test are also subject to argument or interpretation as to quantification and temporal issues.

SXG Shareholders should note that each of SXG and Mawson may interpret different meanings to definitions of 'SXG Material Adverse Change' and 'Mawson Material Adverse Change', given the absence of a specific quantitative threshold in one limb of each definition, and SXG may therefore be exposed to a greater risk of litigation and a higher risk of uncertainty than would otherwise be the case if only a quantitative test were provided. There is a risk a dispute may arise between SXG and Mawson as to whether or not the Condition Precedent in respect of "no SXG Material Adverse Change" or "no Mawson Material Adverse Change" has been triggered or the consequence under the Scheme Implementation Agreement. This kind of dispute could result in the Scheme not proceeding, the Scheme otherwise being terminated, or a transaction being proposed on different terms in accordance with the Scheme Implementation Agreement.

(d) **Court Approval**

There is a risk that the Court may not approve the Scheme, either at all or in the form proposed, or the Court's approval of the Scheme may be delayed. In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Date, the Court will take the change into account in deciding whether it should approve the Scheme. If there is a material change of sufficient importance so as to materially alter the Scheme, there is a risk that the Court may not approve the Scheme on the Second Court Date.

(e) **Transaction costs may vary**

Transaction costs and other costs incurred (or which are expected to be incurred by SXG) in relation to the successful implementation of the Proposed Transaction are currently estimated at approximately \$1.4 million (exclusive of GST and disbursements).

**(f) Litigation risk**

SXG and/or Mawson could face new claims and litigation, in particular brought by third parties in connection with the Scheme, including partners, suppliers, competitors and/or regulators of SXG or Mawson, or by investors.

**(g) Change in risk profile**

After implementation of the Scheme, Scheme Participants will be exposed to certain additional risks relating to the Combined Group. The asset composition and exposure, earnings mix and risk profile of the two companies on a standalone basis are different and may differ further in the future given Mawson's stated intention to increase its exposure to wider asset classes.

While the operations of Mawson and SXG are similar in some respects, there will be differences between the size, capital structure, infrastructure, business offerings and investment strategy of the Combined Group and SXG currently which may give rise to a different risk profile.

**(h) Superior Proposal may emerge**

The Independent SXG Board Committee are not currently aware of any Superior Proposal for SXG and note that since SXG and Mawson announced the Proposed Transaction, there has been a significant period of time and ample opportunity for a Competing Proposal which provides a different outcome for SXG Shareholders to emerge. Since the Announcement Date, no alternative proposal has emerged, and the Independent SXG Board Committee have decided that the Proposed Transaction is in the best interests of SXG Shareholders (other than Excluded Shareholders) at the date of this Scheme Booklet.

However, it is possible that a Superior Proposal for SXG, which is more attractive for SXG Shareholders than the Proposed Transaction, may materialise in the future. The implementation of the Proposed Transaction would mean that SXG Shareholders would not obtain the benefit of any such proposal.

**(i) Tax consequences for SXG Shareholders**

If the Scheme proceeds, there may be tax consequences for Scheme Participants. General information on the Australian tax consequences of the Scheme is set out in section 11 of this Scheme Booklet.

**(j) Other risks**

Additional risks and uncertainties not currently known to SXG or Mawson may also have a material adverse effect on the business of SXG, Mawson or the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of SXG, Mawson or the Combined Group.

**10.3 Risks relating to the operations of the Combined Group**

The following risks are relevant to each of SXG and Mawson as standalone entities, unless otherwise identified. Accordingly, they will also be relevant to the Combined Group after implementation of the Scheme.

Some of these risks may be mitigated to an extent by the current ownership structure of SXG involving 48.67% of fully-paid ordinary shares in SXG being held by Mawson.

**(a) Exploration Risk**

SXG and Mawson's projects are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The future exploration activities of the Combined Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Combined Group.

In addition, the tenements forming the projects of the Combined Group may include various restrictions excluding, limiting or imposing conditions upon the ability of the Combined Group to conduct exploration activities. Further details of these potential restrictions are set out under "Regulatory Risk" below. While the Combined Group will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Combined Group will be able to satisfy such conditions on commercially viable terms, or at all.

**(b) Dependence on Australian project**

While the Combined Group may invest in additional mining and exploration projects in the future, the Sunday Creek project will be the Combined Group's major asset. Consequently, a delay or any difficulty encountered in the operations at this project would materially and adversely affect the financial condition and financial sustainability of the Combined Group.

**(c) Regulatory risk**

The Combined Group's mining and exploration activities will be dependent upon the maintenance (including renewal) of the tenements in which the Combined Group has or acquires an interest. These may include tenements outside of Australia. Maintenance of the Combined Group's tenements is dependent on, among other things, the Combined Group's ability to meet the licence conditions imposed by relevant authorities. Although the SXG has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or whether the Combined Group will be able to meet the conditions of renewal on commercially reasonable terms, if at all.

The Combined Group may also be required to obtain access and other approval or authorisations from regulatory and/or other entities, including under applicable native title legislation. Such approvals or authorisations may be complex and require the input of third parties. In addition, any future changes to legislation and regulation may impose obligations or restrictions on the Combined Group which cannot be predicted.

SXG and Mawson cannot guarantee that any or all requisite approvals and authorisations will be obtained. A failure to obtain any required regulatory approval or authorisation may mean that the Combined Group may be restricted, either in part or absolutely, from exploration, development and mining activities.

**(d) Mineral Resources risk**

In future, one or more resource estimates and/or exploration targets may be identified on the projects. Mineral resource estimates and exploration targets are expressions of judgement by qualified individuals based on knowledge, experience and industry practice. There are inherent risks associated with such estimates, including that ore eventually recovered may be of a different grade, tonnage or strip ratio from those adopted in the model used. These estimates also depend to some extent on interpretations and geological assumptions which may ultimately prove to be unreliable. Fluctuations in commodity prices, costs and other market factors may subsequently alter a resource estimation. Accordingly, adverse changes to the assumptions underpinning mineral resource estimates or exploration targets may adversely impact upon the Combined Group and its operations.

**(e) Operational risk**

The operations of the Combined Group may be affected by various factors including logistics, occupational health and safety, environmental management and compliance and failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Combined Group, the Combined Group will seek to mitigate these risks through management and supervision controls.

In addition, the operations of the Combined Group may be affected by various factors which are beyond the control of the Combined Group, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Combined Group.

The operations of the Combined Group may also be affected by natural disasters, epidemics, terrorist attacks and other disasters which may materially and adversely affect the economy in Australia or the economies of other countries in which the Combined Group may operate in the future or sell resources to and the Combined Group's business.

**(f) Development and production risks**

Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited. If a discovery is not commercially viable, the financial position and prospects of the Combined Group could be adversely affected and could potentially result in the Combined Group scaling back activities.

**(g) Change in strategy risk**

The medium to long term plans and strategies of the Combined Group may evolve over time due to review, analysis and assessment of results from its planned exploration activities. This is consistent with other entities conducting mineral exploration similar to the Combined Group.

Accordingly, the plans and strategies of the Combined Group as at the date of this Scheme Booklet may not reflect the plans and strategies following review, analysis and assessment of results. Any such changes may have the potential to expose the Combined Group to heightened or additional risks.

Any development of one or more of the projects of the Combined Group up to and including commercial operations will expose the Combined Group to further risks associated with such activities. Nothing in this Scheme Booklet is to be taken to indicate that the Combined Group will commence development of its projects or any one of them at a specific time, if at all.

In addition, as with most exploration entities, the Combined Group may assess and pursue other new business opportunities in the resources sector over time which complement its business (which may take the form of joint ventures, farm-ins, acquisitions or some other form(s) of opportunities). In such cases the Combined Group may, in pursuing such new opportunities, become subject to additional or heightened risks.

(h) **Environmental risks**

The Combined Group would be subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Combined Group for damages, clean-up costs, or penalties and the Combined Group's social licence may be questioned in the event of certain discharges into the environment, environmental damage caused by previous occupiers or noncompliance with environmental laws or regulations. The Combined Group would propose to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(i) **Climate change risk**

As an entity engaged in mineral exploration activities, the Combined Group anticipates it will be subject to climate change risks and in particular:

- The emergence of new or expanded regulations associated with transitioning to a lower carbon economy including market changes associated with climate change mitigation. The Combined Group may be impacted by local and international compliance regulations, or specific taxes or penalties associated with carbon emissions or environmental damage. Given the uncertainty with respect to the future regulatory framework regarding climate change mitigation, the Combined Group may be subject to further restrictions, conditions and risks. While the Combined Group would seek to manage such risks as and when they arise, there can be no guarantee that the Combined Group will be able to do so in a cost-effective manner, if at all; and
- Climate change may cause physical and environmental risks that cannot be predicted, including extreme weather patterns and events that may directly or indirectly impact the operations of the Combined Group and may significantly disrupt the industry in which the Combined Group operates.

(j) **Litigation risk**

The Combined Group would be subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Combined Group is or may

become subject could have a material effect on its financial position, results of operations or the Combined Group 's activities.

(k) **Commodity price risks**

Commodity prices, including gold, can fluctuate rapidly and are affected by numerous factors beyond the control of the Combined Group. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Combined Group's activities as well as the Combined Group's ability to fund those activities.

(l) **Future funding risks**

The Combined Group has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and development costs and pursuit of its business plan will use funds from the Combined Group 's current cash reserves and the amount raised under any future capital raising.

As noted above, the development of one or more of its projects may require the Combined Group to raise capital in excess of the funds proposed to be raised under the any capital raising.

Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Combined Group 's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Combined Group or at all. If the Combined Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Combined Group 's activities and could affect the Combined Group 's ability to continue as a going concern.

The Combined Group may undertake additional offerings of shares and of securities convertible into shares in the future. The increase in the number of shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of shares. In addition, as a result of such additional shares, the voting power of the existing shareholders will be diluted.

(m) **Risk that the Combined Group's management and key personnel may discontinue their services**

The Combined Group's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Combined Group's management or key personnel were unable or unwilling to continue in their present positions, the Combined Group might not be able to replace them easily or at all. The Combined Group's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.

(n) **Payment of dividends**

Payment of future dividends will depend on matters such as the future profitability and financial position of the Combined Group and the other risk factors set out in this

Section 10. There is no assurance that the Combined Group will be in a position or determine to pay dividends in the future.

(o) **Third party risk**

The operations of the Combined Group require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Combined Group engages a number of external contractors to provide exploration/drilling works.

Financial failure, default, contractual non-compliance and the conduct on the part of such third parties may have a material impact on the operations and performance of the Combined Group. It is not possible for the Combined Group to predict or protect the Combined Group against all such risks.

(p) **Insurance risk**

The Combined Group insures its operations in accordance with industry practice. However, in certain circumstances, the Combined Group's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Combined Group.

(q) **Metallurgical recoveries**

When compared with many industrial and commercial operations, mining exploration projects are high risk. Each mineral deposit is unique and the nature of the mineralisation, the occurrence and grade, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling which represent a very small sample of the entire mineral deposit. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.

The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the mineral deposit as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.

(r) **Actions of competitors**

The Combined Group may face competition from other entities in the mineral exploration sector which may have significant advantages including greater name recognition, longer operating history, lower operating costs, pre-existing relationships with current or potential clients and greater financial, marketing and other resources.

Larger entities enjoy wider recognition and superior economies of scale. Any significant competition may adversely affect the Combined Group's ability to meet its objectives.

(s) **Reliance on relationships and alliances**

The Combined Group has relationships with government, technical and advisory parties and other stakeholders in the industry. The Combined Group's success, in part, depends upon continued successful relations with these parties.

The loss of one or more of these relationships or a change in the nature or terms of one or more of these relationships may have a material adverse impact on the financial position and prospects of the Combined Group.

(t) **General economic conditions**

The financial performance of the Combined Group (and its underlying investments) and the value of the Mawson CDIs and New Mawson Shares may fluctuate due to various factors, including movements in the Australian and international capital markets, recommendations by brokers and analysts, interest rates, exchange rates, inflation, Australian and international economic conditions, change in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities, global health pandemics, acts of terrorism, investor perceptions and various other factors which may affect the Combined Group's financial position and earnings. In the future, these factors may affect the Combined Group and may cause the price of Mawson CDIs and New Mawson Shares to fluctuate and trade below current prices.

In light of recent global macroeconomic events, including the impact of the COVID-19 pandemic, Australia may experience an economic recession or downturn of uncertain severity and duration which could impact the Combined Group's operations and the operations of its portfolio companies. These economic disruptions may adversely impact the Combined Group's earnings and assets, as well as the value of the Mawson CDIs and New Mawson Shares.

(u) **Tax**

A change to the current tax regime may affect SXG, Mawson or the Combined Group, and SXG Shareholders.

Any changes to the current rate of company income tax, availability of tax losses or recalculation of the tax cost of assets may impact shareholder returns. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns. Personal tax liabilities are the responsibility of each individual Scheme Participant. SXG, Mawson and the Combined Group are not responsible for tax or penalties incurred by SXG Shareholders.

(v) **Change in accounting or financial reporting standards**

AAS are set by the AASB International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards. ("IAS") 34 and are outside the control of SXG, Mawson or the Combined Group. Changes to accounting standards issued by the AASB could materially adversely affect the financial performance and position reported in the financial statements of SXG, Mawson or the Combined Group.

(w) **Force majeure events**

Events may occur within or outside Australia that could impact upon the global or Australian economy, the operations of the Combined Group and the price of the Mawson CDIs and New Mawson Shares. These events include but are not limited to threats or acts of terrorism, a global health emergency such as the COVID-19 pandemic, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, climate change or other man-made or natural events or occurrences that can have an adverse effect on the

demand for the Combined Group's services and its ability to conduct business. The Combined Group has only a limited ability to insure against some of these risks.

(x) **Additional risks and uncertainties**

Additional risks and uncertainties not currently known to SXG or Mawson may also have a materially adverse effect on SXG, Mawson or the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting SXG, Mawson or the Combined Group.

#### **10.4 Risks if the Scheme does not proceed**

If the Scheme does not proceed, SXG will continue on a standalone basis and SXG Shareholders will retain their SXG Shares and will not receive any Scheme Consideration. In these circumstances, there is a risk that SXG Shares may trade below their current market price.

SXG Shareholders will also remain exposed to the normal risks inherent in the SXG business if the Scheme and the acquisition of SXG by Mawson does not proceed.

If the Scheme is not implemented, SXG expects to pay an aggregate of approximately \$1.4 million (excluding GST and disbursements) in transaction costs in connection with the Scheme. These transaction costs are primarily payable to SXG financial, legal, tax and accounting advisors, the Independent Expert, the Investigating Accountant and the Share Registry.

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## 11. Australian taxation implications

### 11.1 Introduction

The following is a general description of the Australian tax consequences of the Scheme (assuming it is implemented) for SXG Shareholders. It does not consider the tax consequences that may arise on the exchange of SXG Options and SXG Performance Rights for equivalent options and performance rights in Mawson.

The following description does not constitute tax advice and should not be relied upon as such. It is based upon the Australian tax law and administrative practice in effect at the date of this Scheme Booklet. It is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a SXG Shareholder. SXG Shareholders are advised to seek their own independent professional tax advice in relation to their own particular circumstances.

The comments set out below are relevant only to those SXG Shareholders who hold their SXG Shares on capital account. The description does not apply to SXG Shareholders who:

- (a) acquired their SXG Shares pursuant to an employee share scheme arrangement;
- (b) are financial institutions, insurance companies, partnerships, tax exempt organisations, dealers in securities or SXG Shareholders who change their tax residency while holding the shares are subject to special tax rules;
- (c) hold their SXG Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock);
- (d) hold their shares on revenue account or are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their SXG Shares;
- (e) are non-residents of Australia who hold their SXG Shares in relation to carrying on a business at or through a permanent establishment in Australia; or
- (f) acquired or are deemed to have acquired their SXG Shares before 20 September 1985.

SXG Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law. These comments relate to Australian tax law only.

This tax summary is based on Australian income tax, GST and duty law and relevant regulations, rulings or judicial or administrative interpretations of such tax laws as at the date of this Scheme Booklet.

### 11.2 Australian resident shareholders

#### (a) Capital Gains Tax

The disposal of SXG Shares held on capital account to Mawson by an Australian resident SXG Shareholder will constitute a capital gains tax (**CGT**) event A1 and may result in a capital gain or loss for income tax purposes (subject to any scrip for scrip roll-over relief that may be available).

The time of the CGT event will be when the SXG Shareholders transfer their SXG Shares to Mawson under the Scheme (i.e. the Implementation Date)

### **Calculation of capital gain or capital loss (apart from scrip for scrip roll-over relief)**

SXG Shareholders will make:

- a capital gain to the extent that their capital proceeds from the disposal of their SXG Shares are greater than the cost base of those SXG Shares; or
- a capital loss to the extent that the capital proceeds are less than the reduced cost base of those SXG Shares.

Subject to choosing to apply scrip for scrip roll-over relief, a SXG Shareholder who makes a capital gain or loss on the disposal of their SXG Shares will be required to include the net capital gain (if any) for that income year in their assessable income. In this regard, capital gains and capital losses of a taxpayer in a year of income from SXG Shares and any other relevant CGT events are aggregated to determine whether there is a net capital gain or net capital loss.

Any net capital gain is to be included in a SXG Shareholder's assessable income, and is potentially subject to income tax. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset future capital gains. Where a SXG Shareholder is a company, certain specific loss rules apply. These rules may limit the ability to offset capital losses in a current or later income year.

### **Cost base of SXG Shares**

The cost base of the SXG Shares of a SXG Shareholder will generally include the amount paid, and the market value of any property given, to acquire the SXG Shares, plus any non-deductible incidental costs of acquisition and disposal (e.g. brokerage fees and legal costs).

The reduced cost base of the SXG Shares of a SXG Shareholder will be determined in a similar manner to the cost base, although some differences in the calculation of reduced cost base do exist depending on the relevant SXG Shareholder's circumstances.

### **Capital proceeds**

The capital proceeds for the disposal of the SXG Shares of a SXG Shareholder will be the Scheme Consideration, which should be equal to the market value of the New Mawson Shares or Mawson CDIs received under the Scheme.

### **CGT discount**

Individuals, complying superannuation entities or trustees that have held their SXG Shares for at least 12 months (excluding the date of acquisition and disposal) may be entitled to benefit from the CGT discount to reduce the amount of any capital gain derived (after application of capital losses) from the disposal of their SXG Shares by:

- 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries); or
- 33 $\frac{1}{3}$ % for complying superannuation entities.

The CGT discount will not be available to a SXG Shareholder that is a company or otherwise considered a corporate tax entity. SXG Shareholders who are trustees should seek their own independent professional advice on how the CGT discount provisions will apply to them and the trust's beneficiaries.

(b) **Scrip for scrip roll-over relief**

SXG Shareholders who make a capital gain on the disposal of their SXG Shares under the Scheme may choose to apply scrip for scrip roll-over relief to the extent they receive Mawson CDIs or New Mawson Shares in respect of their SXG Shares.

Scrip for scrip roll-over relief is not available where a capital loss is made upon the disposal of any particular SXG Shares even where the capital proceeds of these SXG Shares are received in the form of New Mawson Shares or Mawson CDIs.

If scrip for scrip roll-over relief is available and chosen by a SXG Shareholder, the capital gain realised from the disposal of the particular SXG Shares will be disregarded. Consequently, the disregarded capital gain is excluded from the calculation of the net capital gains or the carry-forward capital loss balance of the SXG Shareholder.

Whether a SXG Shareholder has made the choice to apply scrip for scrip roll-over is generally evidenced by the way in which that SXG Shareholder prepares their income tax return. There is no need to lodge a separate notice with the ATO.

Where a SXG Shareholder has chosen scrip for scrip roll-over relief, the following should apply:

- The first element of the cost base of the New Mawson Shares or Mawson CDIs received as Scheme Consideration should be equal to the proportion of the cost base of their original SXG Shares that were exchanged for Scheme Consideration.
- The New Mawson Shares and Mawson CDIs will be taken to be acquired at the time their SXG Shares were originally acquired (for the purpose of any subsequent disposal of the New Mawson Shares or Mawson CDIs and the application of the CGT discount).
- If a SXG Shareholder acquired their SXG Shares on or before 20 September 1985, then they are taken to have also acquired the corresponding Mawson Shares or Mawson CDIs on or before 20 September 1985.

The benefit of choosing scrip for scrip roll-over relief will depend upon the individual circumstances of each SXG Shareholder.

(c) **Where scrip for scrip roll-over relief is not chosen or available**

Where scrip for scrip roll-over relief is not chosen or is not available in relation to a SXG Shareholder's disposal of SXG Shares under the Scheme, the following should apply:

- The capital gain or capital loss from the disposal of the SXG Shareholder's SXG Shares will be taken into account in calculating the SXG Shareholder's net capital gain for the income year in which the Implementation Date occurs unless the SXG shares were acquired on or before 20 September 1985 or are deemed to have been acquired on or before that day.

- The first element of the cost base of each New Mawson Share or Mawson CDI (i.e. the Scheme Consideration) received should be an amount equal to the market value of the SXG Shares given in respect of acquiring the New Mawson Share or the Mawson CDI, as determined on the Implementation Date.
- The acquisition date of the New Mawson Shares or Mawson CDIs will be the Implementation Date. This date will be relevant for any future application of the CGT discount with respect to CGT events occurring in relation to the New Mawson Shares or the Mawson CDIs.

(d) **Holding and disposing of New Mawson Shares or Mawson CDIs**

*Dividends on New Mawson Shares or Mawson CDIs*

An Australian resident shareholder will generally have to include the gross amount of any dividend received from their New Mawson Shares or Mawson CDIs in their assessable income for the relevant income year. Unlike dividends from an Australian company, Mawson will not be able to frank any future dividend it pays to Australian resident shareholders (although other tax offsets may be available, as described below). However, SXG does not currently have a franking credit balance that it could use to frank a dividend, and as SXG is an exploration company it does not expect to pay a dividend (franked or otherwise) for the foreseeable future.

Where foreign withholding tax has been paid on any dividend received from the New Mawson Shares or Mawson CDIs, the Australian resident shareholder may be able to claim a non-refundable foreign income tax offset and use it to reduce their tax liabilities in the relevant year (subject to certain limits).

*Future disposal of New Mawson Shares or Mawson CDIs*

Where an Australian resident shareholder subsequently disposes of their New Mawson Shares or Mawson CDIs, a CGT event will arise which may give rise to a capital gain or loss.

The cost base and acquisition date of the Mawson CDIs and New Mawson Shares, and eligibility to claim the CGT discount, are described above.

### 11.3 Non-resident shareholders

(a) **Capital Gains Tax**

For SXG Shareholders who are not Australian tax residents (including Ineligible Overseas Shareholders), the disposal of their SXG Shares should have no CGT consequences if the SXG Shares are not “taxable Australian property”.

The SXG Shares held by a non-resident SXG Shareholder will be “taxable Australian property” where:

- the non-resident SXG Shareholder holds their SXG Shares in carrying on a business at or through a permanent establishment in Australia;
- the non-resident SXG Shareholder is an individual who has previously made an election to disregard a capital gain or capital loss in respect of their SXG Shares when they ceased to be an Australian tax resident; or
- the SXG Shares held by the non-resident SXG Shareholder are “indirect Australian real property interests”.

Provided that the SXG Shareholder does not hold an interest of 10% or more in SXG on the Implementation Date (and has not held an interest of 10% or more in SXG throughout a 12-month period beginning no earlier than 24 months before the Implementation Date and ending no later than the Implementation Date), an SXG Share held by that SXG Shareholder should not constitute an “indirect Australian real property interest”. Accordingly, no amount should be required to be paid to the Commissioner pursuant to Subdivision 14-D of the *Taxation Administration Act 1953* in respect of foreign resident CGT withholding.

We note that as part of the 2024-25 Federal Budget, the Federal Government indicated that it would introduce reforms to the non-resident CGT regime which will commence starting 1 July 2025. These reforms includes measures that seek to expand the definition of “taxable Australian property”. As at the date of this Scheme Booklet, draft legislation has not been introduced. However, provided that the Implementation Date occurs before 1 July 2025 then the existing tax law outlined above will continue to apply.

**(b) Holding and disposing New Mawson Shares or Mawson CDIs**

Where a non-resident shareholder receives a dividend in respect of their New Mawson Shares or Mawson CDIs, those shareholders will generally not have to include the amount within their Australian assessable income for the relevant income year.

Where a non-resident shareholder disposes of their New Mawson Shares or Mawson CDIs, this will generally not give rise to a CGT event, provided that the New Mawson Shares or Mawson CDIs are not “taxable Australian property” at the time of disposal.

#### **11.4 Stamp duty**

No Australian stamp duty should be payable by SXG Shareholders in relation to:

- (a) the disposal of their SXG Shares to Mawson under the Scheme; or
- (b) on the issue of Mawson shares to SXG Shareholders in exchange for their SXG Shares, provided that:
  - (i) no SXG Shareholder alone, or with associated or related persons or with any persons (whether they are associated or related persons), commence to hold a 90% or greater interest in Mawson; and

the Mawson shares do not cease to be quoted on the TSXV as a result of the issue of shares to SXG Shareholders.

#### **11.5 Goods and Services Tax**

No GST should be payable by the SXG Shareholders in respect of their disposal of SXG Shares nor their acquisition of New Mawson Shares or Mawson CDIs under the Scheme.

SXG Shareholders who are registered for GST may not be entitled to input tax credits (or only entitled to reduced input tax credits) for any GST incurred on costs associated with their participation in Mawson’s Offer. SXG Shareholders should seek independent advice in relation to the impact of GST on their individual circumstances.

## 12. Additional information

This section sets out additional information required to be disclosed to SXG Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to SXG Shareholders.

### 12.1 Interests of SXG Directors

#### (a) SXG Directors

The SXG Directors as at the date of lodgement of this Scheme Booklet for registration by ASIC were:

- Tom Eadie (Non-Executive Chairman)
- Michael Hudson (Managing Director)
- Georgina Carnegie (Non-Executive Director)
- David Henstridge (Non-Executive Director)

#### (b) Interests of SXG Directors in SXG securities

The following table shows the marketable securities of SXG owned by, or on behalf of, each SXG Director, or in which they have a Relevant Interest, as at the Last Practicable Date:

SXG Director	Number of SXG Shares	Number of SXG Options
Tom Eadie	619,961 fully paid ordinary shares	400,000 unlisted Class A options exercisable at \$0.30 on or before 5 May 2025 400,000 unlisted Class B options exercisable at \$0.30 on or before 5 May 2026 400,000 unlisted Class C options exercisable at \$0.30 on or before 5 May 2027 800,000 Unlisted options exercisable at \$1.20 on or before 7 November 2026
Michael Hudson	1,632,839 fully paid ordinary shares	1,000,000 unlisted Class B options exercisable at \$0.30 on or before 5 May 2026 1,000,000 unlisted Class C options exercisable at \$0.30 on or before 5 May 2027 1,250,000 unlisted options exercisable at \$1.20 on or before 7 November 2026
Georgina Carnegie	293,106 fully paid ordinary shares	350,000 unlisted Class A options exercisable at \$0.30 on or before 5 May 2025

		<p>350,000 unlisted Class B options exercisable at \$0.30 on or before 5 May 2026</p> <p>350,000 unlisted Class C options exercisable at \$0.30 on or before 5 May 2027</p> <p>750,000 Unlisted options exercisable at \$1.20 on or before 7 November 2026</p>
David Henstridge	478,294 fully paid ordinary shares	<p>350,000 unlisted Class A options exercisable at \$0.30 on or before 5 May 2025</p> <p>350,000 unlisted Class B options exercisable at \$0.30 on or before 5 May 2026</p> <p>350,000 unlisted Class C options exercisable at \$0.30 on or before 5 May 2027</p> <p>750,000 Unlisted options exercisable at \$1.20 on or before 7 November 2026</p>

The Directors of SXG will be Scheme Participants and receive Scheme Consideration in respect of the SXG Shares which they hold, as will be the case in respect of any other Scheme Participant.

All Independent SXG Board Committee who hold SXG Shares intend to vote in favour of the Scheme in respect of all SXG Shares in which they have a Relevant Interest, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.

Michael Hudson, who is the Managing Director of SXG, also intends to vote, or procure the voting of, any SXG Shares in which he has a Relevant Interest in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of SXG Non-Associated Shareholders.

(c) **Dealings of SXG Directors in SXG Shares**

Other than the exercise of SXG Options and vesting of SXG Performance Rights held by Michael Hudson, no SXG Director has acquired or disposed of a Relevant Interest in any SXG Shares in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

(d) **Interests of SXG Directors in Mawson**

The following table shows the Mawson Shares held by SXG Directors at the date of this Scheme Booklet (prior to the Mawson Share Consolidation).

SXG Director	Number of Mawson Shares
Tom Eadie	Nil
Michael Hudson	3,439,619 common shares; 1,200,000 options

Georgina Carnegie	187,500 fully paid ordinary shares
David Henstridge	1,284,125 fully paid ordinary shares

The following table shows the Mawson Shares held by SXG Directors at the date of Implementation of the Scheme (immediately after the Mawson Share Consolidation).

SXG Director	Number of Mawson Shares
Tom Eadie	Nil
Michael Hudson	1,086,920 common shares; 379,200 options
Georgina Carnegie	59,250 fully paid ordinary shares
David Henstridge	405,784 fully paid ordinary shares

## 12.2 Interests of SXG in Mawson Shares

SXG does not hold any Mawson Shares as at the date of this Scheme Booklet.

## 12.3 Interests of Mawson in SXG Shares

### (a) Interests of Mawson in marketable securities of SXG

As at the date of this Scheme Booklet, Mawson directly holds 96,590,910 ordinary shares in SXG and a Relevant Interest of 48.67% in SXG Shares. As an Excluded Shareholder, Mawson is not eligible to vote these shares on the Scheme Resolution.

### (b) Dealings of Mawson Directors in SXG securities

No Mawson Director acquired or disposed of a Relevant Interest in any SXG Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet, apart from the exercise of SXG Options by Michael Hudson.

### (c) Interests of Mawson Directors in marketable securities of SXG

Michael Hudson is a director of SXG. As at the date of this Scheme Booklet, Mr Hudson has a Relevant Interest in 1,632,839 SXG Shares, being 0.82%. The nature of Mr Hudson's Relevant Interest in SXG Shares is set out in the table below.

Registered holder	Nature of Relevant Interest	Number of SXG Shares
Michael Hudson	Director	1,632,839

No other Mawson Director has a Relevant Interest in any SXG Shares and no such persons are otherwise entitled to such securities as at the date of this Scheme Booklet.

## 12.4 Benefits and agreements

### (a) Payments in connection with retirement from office

Other than as disclosed in this Scheme Booklet there is no payment or other benefit that is proposed to be made or given to any SXG Director or secretary or executive

officer of SXG (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with their retirement from, office in SXG or any of its Related Bodies Corporate in connection with, or that is materially affected by the implementation of, the Scheme.

Ernest Thomas Eadie, Michael Hudson, Georgina Carnegie and David Henstridge will remain on the SXG Board following implementation of the Scheme.

**(b) No collateral benefits offered by Mawson in the last four months**

Other than as disclosed in this Scheme Booklet, during the four-month period before the date of this Scheme Booklet, neither Mawson, any Mawson Director or any associate of Mawson gave, or offered to give or agreed to give a benefit to another person which was likely to induce the other person or an associate of the other person to:

- (i) vote in favour of the Scheme; or
- (ii) dispose of any SXG Shares (as applicable),

which benefit was not offered to all SXG Shareholders.

**(c) Agreements or arrangements with SXG Directors in connection with, or conditional on, the outcome of the Scheme**

There are no agreements or arrangements made between any SXG Director and another person in connection with, or conditional on, the outcome of the Scheme other than as disclosed in this Scheme Booklet or in their capacity as a SXG Shareholder.

**(d) Payments and benefits to SXG Directors, secretaries and executive officers in connection with the Scheme**

Other than as disclosed in this Scheme Booklet, no SXG Director, secretary or executive officer of SXG (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from Mawson which is conditional on, or is related to, the Scheme, other than in their capacity as a SXG Shareholder.

**(e) Interests of SXG Directors in Mawson contracts**

Other than as described in this Scheme Booklet, no SXG Director has an interest in any contract entered into by Mawson.

## **12.5 Creditors of SXG**

The Scheme, if implemented, is not expected to materially prejudice SXG's ability to pay its creditors as it involves the acquisition of securities in SXG for consideration provided by a third party. No material new liability is expected to be incurred by SXG because of the implementation of the Scheme. SXG has paid and is paying all of its creditors within normal terms and is solvent and trading in an ordinary commercial manner.

## **12.6 Transaction costs**

SXG will incur external transaction costs in connection with the Scheme. Certain of these costs are conditional on the Scheme proceeding, and if the Scheme is implemented these will effectively be borne by Mawson who will have acquired SXG from implementation.

If the Scheme is implemented, SXG expects to pay an aggregate of approximately \$1.4 million (excluding GST and disbursements) in external transaction costs in connection with the Scheme. These transaction costs are primarily payable to SXG financial, legal, tax and accounting advisors, the Independent Expert, the Investigating Accountant and the Share Registry, as summarised below.

Australian legal and tax advisors	\$	350,000
Mawson legal advisors	\$	350,000
Independent expert	\$	90,000
SXG auditor	\$	30,000
Computershare - Aus	\$	140,000
Computershare - Canada	\$	50,000
ASX listing application for Mawson (does not net off potential partial refund of SXG FY25 listing fee)		
	\$	390,000
<b>Total</b>		<b>\$ 1,400,000</b>

## 12.7 ASIC relief and ASX waivers

### (a) ASX in-principle confirmation and waivers

Mawson made an in-principle application to ASX for confirmation as to its suitability for listing on ASX, which ASX has confirmed based on the information provided. A final decision on Mawson's ASX listing will require a formal listing application and ASX retains its usual discretion as to whether to admit Mawson to listing. ASX will require Mawson to prepare an Australian law compliant prospectus for the purpose of its listing application.

Mawson also applied for in-principle advice from ASX in relation to the standard waivers and confirmations of the Listing Rules common for foreign companies which are dual listed on ASX and on another exchange such as TSXV, and for in-principle confirmation that ASX will not apply escrow restrictions to any Mawson shares or CDIs quoted on ASX, which ASX has confirmed based on the information provided.

### (b) ASIC relief

It is not envisaged that any ASIC relief will be required for the purposes of the Scheme and no ASIC relief was required for the issue of this Scheme Booklet.

## 12.8 Disclosures and consents

### (a) Consents

The following parties have given and have not withdrawn, before the time of registration of this Scheme Booklet by ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- Mawson Gold Limited;
- Hamilton Locke as legal adviser to SXG;
- Grant Thornton Australia Limited as the Independent Expert;
- D&H Group, LLP Chartered Professional Accountants as auditors for Mawson;

- William Buck as the Investigating Accountant and external auditor of Mawson for the years ended 31 May 2024 and 31 May 2023; and
- Computershare Investor Services Pty Limited as the Share Registry.

Grant Thornton Australia Limited has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that report in the form and context in which they appear.

William Buck has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Investigating Accountant's Report Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that report in the form and context in which they appear.

Mawson has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of the Mawson Information in the form and context in which it is included and to all references in this Scheme Booklet to the Mawson Information in the form and context in which they appear.

Hamilton Locke has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of section 11 of this this Scheme Booklet being the outline of the taxation implications of the Scheme.

(b) **Disclaimers**

None of the persons referred to above has authorised or caused the issue of this Scheme Booklet and does not make or purport to make any statement in this Scheme Booklet other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above.

To the maximum extent permitted by law, each person referred to above disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any part of this Scheme Booklet.

## **12.9 Privacy and personal information**

SXG and Mawson, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of SXG Shareholders, and the names of individuals appointed by SXG Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme. SXG Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them.

Such individuals should contact the Share Registry on 1300 077 160 (if within Australia) or on +61 1300 077 160 (if outside Australia) in the first instance if they wish to request access to that personal information. SXG Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

## 12.10 Right to inspect and obtain copies of the Share Register

SXG Shareholders have the right to inspect the Share Register which contains the name and address of each SXG Shareholder and certain other prescribed details relating to SXG Shareholders, without charge.

SXG Shareholders also have the right to request a copy of the Share Register upon payment of a fee (if any) up to a prescribed amount.

SXG Shareholders have these rights by virtue of section 173 of the Corporations Act.

## 12.11 Foreign selling restrictions

Law may restrict the distribution of this Scheme Booklet outside of Australia and persons who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. SXG disclaims all liabilities to such persons. SXG Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

## 12.12 Interests of advisors

Other than as set out in this Scheme Booklet, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet holds, or held at any time during the last two years before the date of this Scheme Booklet, any interest in:

- (a) the formation or promotion of SXG; or
- (b) any property acquired or proposed to be acquired by SXG in connection with its formation or promotion or in connection with the Scheme.

## 12.13 Fees

If the Scheme is implemented, the amount of the external fees and expenses expected to be incurred by SXG in connection with the Scheme, including the fees and expenses of any financial advisers, lawyers, accountants, and communication consultants, is estimated at approximately \$1.4 million (excluding GST and disbursements).

If the Scheme is not implemented and the Scheme Implementation Agreement is terminated as at the date of this Scheme Booklet, SXG expects to pay approximately \$820,000 (excluding GST and disbursements) in external transaction costs.

## 12.14 Status of regulatory Scheme Conditions

The regulatory approvals that are Scheme Conditions are set out in section 5.3 of this Scheme Booklet. As at the Last Practicable Date, the following regulatory approvals that are Scheme Conditions are still outstanding:

No	Condition
<b>Scheme Conditions</b>	
1.	<b>ASIC approval</b>

No	Condition
	Before 8.00am on the Second Court Date, ASIC issues or provides any consents or approvals, or has done any other acts, which the parties agree are reasonably necessary or desirable to implement the Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time.
2.	<b>Shareholder approval</b> The Scheme is approved by SXG Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.
3.	<b>Court approval</b> The Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme.

### 12.15 Supplementary information

SXG will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- (a) a material statement in this Scheme Booklet is materially false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, SXG may circulate and publish any supplementary document by:

- (a) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- (b) posting the supplementary document on SXG's website at <https://www.southerncrossgold.com.au>; or
- (c) making an announcement to ASX,

as SXG, in its absolute discretion, considers appropriate, subject to any approval that may be required from the Court. In particular, where the matter is not materially adverse to SXG Shareholders such circulation and publication may be only by an announcement to ASX.

### 12.16 Lodgement of Scheme Booklet

The Scheme Booklet was given to ASIC on 13 September 2024 in accordance with section 411(2)(b) of the Corporations Act. ASIC takes no responsibility for the content of this Scheme Booklet.

### 12.17 No other material information

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision by a SXG Shareholder whether or not to vote in favour of the Scheme (as applicable) which is known to any Independent SXG Director and which has

not previously been disclosed to SXG Shareholders at the date of lodging this Scheme Booklet with ASIC for registration.

## **12.18 Foreign jurisdiction disclaimers**

Law may restrict the distribution of this Scheme Booklet outside of Australia and persons who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. SXG disclaims all liabilities to such persons. SXG Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia. This Scheme Booklet does not constitute an offer of Mawson CDIs, New Mawson Shares, New Mawson Options or New Mawson Restricted Stock Units in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the Mawson CDIs, New Mawson Shares, New Mawson Options or New Mawson Restricted Stock Units may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **New Zealand**

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of Mawson Shares under the Scheme is being made to existing shareholders of SGX in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

### **Canada**

The Mawson Shares will be issued by Mawson in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Scheme.

### **Hong Kong**

**WARNING:** The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are

“professional investors” (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Copies of this Scheme Booklet may be issued to SGX shareholders in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of SGX shareholders in connection with the Scheme. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Scheme by SGX shareholders.

### **Switzerland**

The Mawson Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the Mawson Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Scheme Booklet nor any other offering material relating to the Mawson Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Scheme Booklet nor any other offering material relating to the Mawson Shares have been, or will be, filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Scheme Booklet will not be filed with, and the offer of Mawson Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Scheme Booklet may be distributed in Switzerland only to existing shareholders of SGX and is not for general circulation in Switzerland.

### **European Union (Germany and Luxembourg)**

This Scheme Booklet is not a prospectus under Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”). Therefore, the Scheme Booklet has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Scheme Booklet may not be made available, nor may the Mawson Shares be offered for sale or exchange, in the European Union except in circumstances that do not require the obligation to publish a prospectus under the Prospectus Regulation.

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Mawson Shares in each member state of the European Union is limited:

- to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 other natural or legal persons; and
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### **Liechtenstein**

This Scheme Booklet has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this Scheme Booklet may not be made available, nor may the Mawson Shares be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Securities Prospectus Implementation Act of Liechtenstein.

In accordance with such Act, an offer of Mawson Shares in Liechtenstein is limited to less than 150 persons who are shareholders of SGX.

### **Singapore**

This Scheme Booklet and any other document relating to the Scheme have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Scheme is not regulated by any financial supervisory authority in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act 2001 (the “SFA”) will not apply.

This Scheme Booklet and any other document relating to the Scheme may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part 13 of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to Mawson CDIs nor New Mawson Shares being subsequently offered for sale to any other party in Singapore. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This Scheme Booklet is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. Any investment referred to in this Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment.

Neither SXG nor Mawson is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, SXG and Mawson are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

### **United Kingdom**

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Mawson Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme

Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Mawson Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to SGX or Mawson.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

### **United States**

SGX and Mawson intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of Mawson Shares. Approval of the Scheme by an Australian court will be relied upon by SGX and Mawson for purposes of qualifying for the Section 3(a)(10) exemption.

US shareholders of SGX should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since SGX and Mawson are located in Australia and Canada, respectively, and most of their respective officers and directors reside outside the United States. You may not be able to sue SGX, Mawson or their respective officers or directors in Australia or Canada for violations of the US securities laws. It may be difficult to compel SGX and its affiliates to subject themselves to a US court’s judgment.

You should be aware that Mawson may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The Mawson Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act or the securities laws of any US state or other jurisdiction. The Scheme is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

## 13. Glossary

### 13.1 Definitions

The meaning of the terms used in this Scheme Booklet are set out below:

DEFINED TERM	MEANING
<b>AAS</b>	Australian Accounting Standards.
<b>AASB</b>	Australian Accounting Standards Board.
<b>Accounting Standards</b>	(a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts; and  (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a).
<b>Announcement Date</b>	11 June 2024, being the date the proposed Scheme was announced by SXG on the ASX platform.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in Division 2 of Part 1.2 of the Corporations Act, as if subsection 12(1) of the Corporations Act includes a reference to this Scheme Booklet and SXG was the designated body.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market known as the Australian Securities Exchange operated by it.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd ABN 49 008 504 532.
<b>ASX Settlement Rules</b>	the ASX Settlement Operating Rules of ASX Settlement.
<b>ATO</b>	the Australian Taxation Office.
<b>BCBCA</b>	the British Columbia <i>Business Corporations Act</i> , SBC 2002, c 57
<b>BCSC</b>	means the British Columbia Securities Commission.
<b>Business Day</b>	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Victoria.
<b>CDI</b>	CHESS Depository Interests issued by Mawson, where each CDI represents a beneficial interest in one share.
<b>CDI Holder</b>	a holder of CDIs.
<b>CDI Registry</b>	Computershare Investor Services Pty Limited (ACN 078 279 277).

DEFINED TERM	MEANING
<b>CDN</b>	means CHESSE Depository Nominees Pty Ltd (ACN 071 346 506) (AFSL 254514), in its capacity as depository nominee for the CDIs under the ASX Settlement Rules.
<b>Combined Group</b>	the combination of the Mawson Group and the SXG Group, as comprised by Mawson and its Subsidiaries following implementation of the Scheme.
<b>Combined Group Pro Forma Historical Statement of Financial Position</b>	has the meaning given in Section 9.12.
<b>Competing Transaction</b>	<p>a transaction or arrangement pursuant to which a Third Party (or Third Parties) will, if the transaction or arrangement is entered into or completed:</p> <ul style="list-style-type: none"> <li>(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 or the Mawson Group;</li> <li>(b) acquire control (as determined in accordance with section 50AA of the Corporations Act) of any member of the SXG Group or the Mawson Group;</li> <li>(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 or Mawson;</li> <li>(d) otherwise acquire or merge with any member of the SXG Group or Mawson Group; or</li> <li>(e) enter into any agreement, arrangement or understanding requiring SXG or 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.</li> </ul>
<b>Control</b>	has the meaning given in Section 50AA of the Corporations Act.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	<i>Corporations Regulations 2001</i> (Cth).
<b>Court</b>	the Supreme Court of NSW.
<b>Deed Poll</b>	the deed poll dated 4 November 2024 executed by Mawson in relation to the Scheme as set out in Annexure D.
<b>Effective</b>	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order

DEFINED TERM	MEANING
	of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Effective Date</b>	the date on which the Scheme becomes Effective.
<b>Election Date</b>	The latest time and date by which Share Election Forms must be received by the Share Registry from SXG Shareholders who wish to elect receive New Mawson Shares (rather than receive Mawson CDIs by default), or withdraw a previous election made.
<b>End Date</b>	the date that is 5 months after the date of the Scheme Implementation Agreement or such other date as SXG and Mawson may agree in writing.
<b>Euro Canna</b>	Euro Canna Holdings Limited, a wholly-owned subsidiary of Mawson.
<b>Euro Canna Shares</b>	the common shares in the authorised share structure of Euro Canna
<b>Euro Canna Transaction</b>	the transaction intended to be undertaken by Mawson prior to the completion of the Scheme which will result in SUA Holdings directly holding the Uranium Projects, subject to the approval of Mawson's shareholders.
<b>Exchange Ratio</b>	<p>(a) by default 1 Mawson CDI, or if a valid election has been made using a Share Election Form, 1 New Mawson Share for every 1 SXG Share held, on the basis that the Mawson Share Consolidation occurs before the Record Date; or</p> <p>(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 and the applicable condition is validly waived, 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.</p>
<b>Excluded Shareholder</b>	any SXG Shareholder who is Mawson or a Subsidiary of Mawson.
<b>Exclusivity Period</b>	<p>the period commencing on 30 July 2024 and ending on the earlier of:</p> <p>(a) the termination of the Scheme Implementation Agreement in accordance with its terms; and</p> <p>(b) the End Date.</p>
<b>First Court Date</b>	the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

<b>DEFINED TERM</b>	<b>MEANING</b>
<b>First Court Hearing</b>	the Court hearing on the First Court Date.
<b>Government Agency</b>	a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.
<b>Grant Thornton Australia</b>	Grant Thornton Corporate Finance Pty Ltd.
<b>Headcount Test</b>	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.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Implementation Date</b>	the fifth Business Day following the Scheme Record Date or such other date as SXG and Mawson agree.
<b>Independent Expert</b>	an expert, independent of the parties, engaged by SXG in good faith to prepare the Independent Expert's Report, being Grant Thornton Australia.
<b>Independent Expert's Report</b>	the report of the Independent Expert, as set out in Annexure A.
<b>Independent SXG Board Committee</b>	the committee of independent directors established by the SXG Board to consider the Proposed Transaction on behalf of SXG, consisting of all SXG Directors other than Michael Hudson.
<b>Independent SXG Director</b>	a member of the Independent SXG Board Committee.
<b>Ineligible Overseas Shareholder</b>	an SXG Shareholder whose address as shown in the SXG Share Register is located outside Australia and its external territories, New Zealand, Canada, Hong Kong, Switzerland, European Union (Germany and Luxembourg), Liechtenstein, Singapore, United Kingdom and United States, 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.
<b>Investigating Accountant</b>	William Buck (Audit) (VIC) Pty Ltd
<b>Investigating Accountant's Report</b>	the report of the Investigating Accountant titled 'Limited Assurance Investigating Accountant's Report' set out in Annexure B.
<b>ITAA 1997</b>	the Income Tax Assessment Act 1997 (Cth).

DEFINED TERM	MEANING
<b>Last Practicable Date</b>	7 November 2024, being the last practicable day before finalising the information in this Scheme Booklet.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Mawson</b>	Mawson Gold Limited (ARBN 681 229 854), a company formed in British Columbia, Canada, with registration number BC0689356.
<b>Mawson Articles</b>	the Notice of Articles and Articles of Mawson, as amended and restated or modified from time to time.
<b>Mawson Board</b>	the board of directors of Mawson, being comprised of, as at the date of this Scheme Booklet, the individuals listed in section 8 of this Scheme Booklet.
<b>Mawson CDI</b>	A CHESSE Depository Interest in Mawson quoted on the ASX as a result of the Scheme, to be issued under the Scheme as part of the Scheme Consideration
<b>MAW Closing Price</b>	means the closing price of Mawson Shares as at 31 May 2024.
<b>Mawson Directors</b>	the directors of Mawson, being, as at the date of this Scheme Booklet, the individuals listed in section 8 of this Scheme Booklet.
<b>Mawson Group</b>	Mawson and each of its Subsidiaries (excluding, at any time, SXG and its Subsidiaries to the extent that SXG and its Subsidiaries are Subsidiaries of Mawson at that time). A reference to a member of the <b>Mawson Group</b> or an <b>Mawson Group Member</b> is a reference to Mawson or any such Subsidiary.
<b>Mawson Information</b>	the information regarding the Mawson Group and the Combined Group provided by Mawson to SXG for inclusion in this Scheme Booklet, being the information contained in sections 8, 9 and 12.3 of this Scheme Booklet (including the information contained in those sections as summarised in section 2 of this Scheme Booklet), except to the extent it pertains to SXG or SXG's contribution to the information regarding the Combined Group.
<b>Mawson Insolvency Event</b>	(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, reorganisation, 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 reorganisation, arrangement or compromise of debt under the laws of its jurisdiction of incorporation, organisation, formation or otherwise other than where the application or order (as the case may be) is set aside within 14 days;

DEFINED TERM	MEANING
	<ul style="list-style-type: none"> <li>(b) a liquidator or provisional liquidator of a material member of the Mawson Group being appointed;</li> <li>(c) a court making an order for the winding up of a material member of the Mawson Group;</li> <li>(d) an administrator of a material member of the Mawson Group being appointed under applicable law;</li> <li>(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;</li> <li>(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</li> <li>(g) an event analogous to any of the foregoing in any jurisdiction outside of Canada.</li> </ul>
<b>Mawson Material Adverse Change</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(a) a material adverse effect on the assets, liabilities, financial position, performance, or prospects of the Mawson Group taken as a whole; or</li> <li>(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,</li> </ul> <p>but does not include any event, change or circumstance:</p> <ul style="list-style-type: none"> <li>(c) required to be done or procured by Mawson pursuant to this Agreement or the Scheme;</li> <li>(d) resulting from the Euro Canna Transaction;</li> <li>(e) resulting from purchasing a D&amp;O insurance policy;</li> <li>(f) done with the prior written consent of SXG;</li> </ul>

DEFINED TERM	MEANING
	<p>(g) to the extent that it was fully and fairly disclosed in public filings of Mawson with TSXV prior to execution of this Agreement;</p> <p>(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;</p> <p>(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;</p> <p>(j) resulting from changes in generally accepted accounting principles or the interpretation of them by any professional body or government agency; or</p> <p>(k) arising from the announcement or pendency of the Proposed Transaction (including any loss of or adverse change in employees, customers, partners).</p>
<b>Mawson Prescribed Event</b>	<p>the occurrence of any of the following between the date of the Scheme Implementation Agreement and 8:00am on the Second Court Date:</p> <p>(a) any member of the Mawson Group issues shares, grants a performance right or restricted stock unit, or an option over its shares, except any issue to Mawson or a direct or indirect wholly-owned Subsidiary of Mawson;</p> <p>(b) any member of the Mawson Group issues, or agrees to issue, convertible notes;</p> <p>(c) Mawson converting all or any of its shares into a larger or smaller number of shares;</p> <p>(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;</p> <p>(e) any member of the Mawson Group:</p> <p style="padding-left: 40px;">(i) entering into a share buy-back agreement; or</p> <p style="padding-left: 40px;">(ii) resolving to approve the terms of a share buy-back agreement;</p> <p>(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</p>

DEFINED TERM	MEANING
	<p>agreeing to return any capital to Mawson or to another direct or indirect wholly owned Subsidiary of Mawson);</p> <p>(g) Mawson making any change to its Notice of Articles;</p> <p>(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;</p> <p>(i) a Mawson Insolvency Event occurs; or</p> <p>(j) any member of the Mawson Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,</p> <p>but excludes the transactions contemplated by the Scheme Implementation Agreement (including the Mawson Share Consolidation and the Euro Canna Transaction) and matters fully and fairly disclosed in public filings of Mawson with TSXV before execution of the Scheme Implementation Agreement.</p>
<b>Mawson Register</b>	the register of shareholders of Mawson maintained in Canada
<b>Mawson Representations and Warranties</b>	the representations and warranties of Mawson in clause 9 of the Scheme Implementation Agreement.
<b>Mawson Resolutions</b>	The special resolutions of Mawson shareholders to approve the Euro Canna Transaction and ordinary resolutions of Mawson shareholders to approve the change of management and elect Tom Eadie, David Henstridge and Georgina Carnegie as directors of Mawson, subject to completion of the Scheme.
<b>Mawson Share</b>	a common authorised fully paid share in the capital of Mawson
<b>Mawson Share Consolidation</b>	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).
<b>Mawson Shareholder</b>	each person who is registered in the Mawson Register as a holder of Mawson Shares.
<b>New Mawson Option</b>	an option to acquire a Mawson Share, which is to be issued to SXG Option holders under the Options Exchange.
<b>New Mawson Restricted Stock Units</b>	a restricted share unit to be issued a Mawson Share at no cost, which is to be issued to holders of SXG Performance Rights under the Performance Rights Exchange.
<b>New Mawson Share</b>	a Mawson Share listed on the TSXV to be issued under the Scheme as part of the Scheme Consideration.

DEFINED TERM	MEANING
<b>Notice of Articles</b>	the Notice of Articles of Mawson filed with the British Columbia Registrar of Companies, as amended from time to time.
<b>Notice of Scheme Meeting</b>	the Notice of Scheme Meeting in Annexure E.
<b>Options and Rights Exchange Agreement</b>	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.
<b>Options Exchange</b>	the cancellation of SXG Options and issue of New Mawson Options under the terms of the Options and Rights Exchange Agreement.
<b>Option Exchange Consideration</b>	<p>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:</p> <ul style="list-style-type: none"> <li data-bbox="667 987 1382 1050">(a) comprised of such number of New Mawson Options as determined by applying the Exchange Ratio;</li> <li data-bbox="667 1077 1382 1167">(b) have an exercise period equal to the unexpired exercise period of the relevant SXG Option it replaces;</li> <li data-bbox="667 1193 1382 1283">(c) an exercise price equal to the exercise price of the SXG Option it replaces (in Australian dollars), multiplied by the Exchange Ratio; and</li> </ul> <p>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 Proposed Transaction.</p>
<b>Performance Rights Exchange</b>	the cancellation of SXG Performance Rights and issue of New Mawson Restricted Stock Units under the terms of the Options and Rights Exchange Agreement.
<b>Performance Rights Exchange Consideration</b>	<p>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 Performance Rights:</p> <ul style="list-style-type: none"> <li data-bbox="667 1731 1382 1821">(a) comprised of such number of New Mawson Restricted Stock Units as determined by applying the Exchange Ratio;</li> <li data-bbox="667 1848 1382 1937">(b) have a vesting and exercise period equal to the unexpired vesting and exercise period of the relevant SXG Performance Right it replaces; and</li> <li data-bbox="667 1964 1382 2020">(c) be vested to the same extent and have the same terms as to vesting as the relevant SXG</li> </ul>

DEFINED TERM	MEANING
	Performance Right it replaces, ignoring any deemed vesting which arises by reason of the Proposed Transaction.
<b>Proposed Transaction</b>	<p>(a) the proposed acquisition by Mawson of all the shares in SXG not already owned by Mawson through the implementation of, and in accordance with, the Scheme; and</p> <p>(b) all associated transactions and steps contemplated by the Scheme Implementation Agreement.</p>
<b>Proxy Cut-Off Date</b>	the last day on or before which proxies must be lodged for the Scheme Meeting.
<b>Proxy Form</b>	the proxy form for the Scheme Meeting, which accompanies this Scheme Booklet.
<b>Record Date</b>	7:00pm (Melbourne time) on the 2nd Business Day after the Effective Date.
<b>Register of CDI Holders</b>	issuer sponsored and CHESSE sub-registers of Mawson CDIs.
<b>Regulatory Approvals</b>	<p>(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</p> <p>(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.</p>
<b>Related Body Corporate</b>	has the meaning given in the Corporations Act.
<b>Relevant Date</b>	<p>in relation to a Scheme Condition in the Scheme Implementation Agreement, the date or time specified in the Scheme Implementation Agreement for its satisfaction or, if no date or time is specified, 8.00am on the Second Court Date, or such extension of that time and date as agreed between Mawson and SXG.</p> <p>In relation to a Scheme Condition in the Scheme, the date or time specified in the Scheme for its satisfaction (if any).</p>
<b>Relevant Interest</b>	has the meaning given in the Corporations Act.
<b>Representatives</b>	has the meaning given in the Scheme Implementation Agreement.
<b>Requisite Majority</b>	<p>in respect of the Scheme, approval by:</p> <p>(a) more than 50% in number of SXG Shareholders present and voting; and</p>

DEFINED TERM	MEANING
	(b) at least 75% of the total number of votes cast on the Scheme Resolution by SXG Shareholders.
<b>Sale Agent</b>	means the person appointed by Mawson to sell the New Mawson Shares or Mawson CDIs that are attributable to Ineligible Overseas Shareholders under the terms of the Scheme
<b>Sale Facility</b>	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 Overseas 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
<b>Sale Facility Proceeds</b>	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 Overseas Shareholders receive the same price for each New Mawson Share sold).
<b>Scheme</b>	the proposed scheme of arrangement under Part 5.1 of the Corporations Act between SXG and Scheme Participants, a copy of which is contained in Annexure C.
<b>Scheme Booklet</b>	this document that constitutes the Scheme Booklet referred to in the Scheme Implementation Agreement in respect of the Scheme to be approved by the Court and despatched to SXG Shareholders and includes the annexures to this document.
<b>Scheme Conditions</b>	the conditions set out in clause 3.2 of the Scheme Implementation Agreement and clause 3.1 of the Scheme.
<b>Scheme Consideration</b>	the consideration to be provided to Scheme Participants under the terms of the Scheme, for the transfer of their Scheme Shares, comprising, for each Scheme Participant the number of Mawson CDIs or New Mawson Shares as determined by applying the Exchange Ratio, or in the case of Ineligible Overseas Shareholders, the Sale Facility Proceeds.
<b>Scheme Implementation Agreement</b>	the Scheme Implementation Agreement dated 30 July 2024 between Mawson and SXG relating to implementation of the Scheme, among other things, as announced to the ASX on 31 July 2024, which can be accessed on the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a> .
<b>Scheme Meeting</b>	the meeting of SXG 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.
<b>Scheme Participant</b>	a SXG Shareholder as at the Scheme Record Date, other than Mawson or any of its subsidiaries.

DEFINED TERM	MEANING
<b>Scheme Record Date</b>	7.00 pm on Wednesday 18 December 2024 (or such other Business Day as the parties agree in writing).
<b>Scheme Resolution</b>	the resolution set out in the Notice of Scheme Meeting set out in Annexure E.
<b>Scheme Share</b>	means a SXG Share held by a Scheme Participant at 5:00 pm on the Record Date.
<b>Second Court Date</b>	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 is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
<b>Second Court Hearing</b>	the Court hearing on the Second Court Date.
<b>Share Election Form</b>	the election form by which SXG Shareholders may elect to receive New Mawson Shares as Scheme Consideration rather than receive Mawson CDIs by default. A Share Election Form can be requested by contacting the SGX Share Information Line.
<b>Share Election Withdrawal Form</b>	the form by which SXG Shareholders may withdraw an election to receive New Mawson Shares as Scheme Consideration which they previously made using a Share Election Form. A Share Election Withdrawal Form can be requested by contacting the SXG Shareholder Information Line.
<b>Share Register</b>	the register of shareholders maintained by SXG under section 168(1) of the Corporations Act.
<b>Share Registry</b>	Computershare Investor Services Pty Limited (ACN 078 279 277).
<b>Share Swap Agreement</b>	Share Swap Agreement between Darren Morcombe (as vendor), Clonbinane Goldfield Pty Ltd (as purchaser), SXG and Sparr Nominees Pty Ltd for the purchase of 100% of the shares in Sparr Nominees Pty Ltd, dated 4 October 2024 as outlined in section 7.8.
<b>SUA Holdings</b>	SUA Holdings Limited, a wholly-owned subsidiary of Mawson
<b>SUA Holdings Shares</b>	306,000,000 common shares in the authorised share structure of SUA Holdings
<b>Subsidiary</b>	has the meaning given to that term in section 46 of the Corporations Act.
<b>Superior Proposal</b>	<p>a bona fide Competing Transaction which the Independent SXG Board Committee, acting in good faith, and after taking advice from SXG's legal and other advisors, determines is:</p> <p>(a) reasonably capable of being completed taking into account all aspects of the Competing Transaction, including its conditions; and</p> <p>(b) of a higher financial value and is more favourable to SXG Shareholders than the Scheme, taking into account all aspects of the Competing Transaction, including the identity, reputation and financial condition</p>

DEFINED TERM	MEANING
	of the person making such proposal, legal, regulatory and financial matters.
<b>SXG</b>	Southern Cross Gold Limited (ACN 652 166 795).
<b>SXG Board</b>	the board of directors of SXG as at the date of this Scheme Booklet.
<b>SXG Director</b>	a director of SXG as at the date of this Scheme Booklet.
<b>SXG Group</b>	SXG and its Subsidiaries. A reference to a member of the <b>SXG Group</b> or a <b>SXG Group Member</b> is a reference to SXG or any such Subsidiary.
<b>SXG Information</b>	the information contained in this Scheme Booklet other than: <ul style="list-style-type: none"> <li>(a) the Mawson Information;</li> <li>(b) the Independent Expert's Report;</li> <li>(c) the Investigating Accountant's Report Report; and</li> </ul> section 11 (Australian taxation implications).
<b>SXG Insolvency Event</b>	<ul style="list-style-type: none"> <li>(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;</li> <li>(b) a liquidator or provisional liquidator of a material member of the SXG Group being appointed;</li> <li>(c) a court making an order for the winding up of a material member of the SXG Group;</li> <li>(d) an administrator of a material member of the SXG Group being appointed under the Corporations Act;</li> <li>(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;</li> <li>(f) a material member of the SXG Group executing a deed of company arrangement;</li> <li>(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</li> <li>(h) an event analogous to any of the foregoing in any jurisdiction outside of Australia.</li> </ul>
<b>SXG Material Adverse Change</b>	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 the Scheme Implementation

DEFINED TERM	MEANING
	<p>Agreement and prior to 8.00am 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:</p> <ul style="list-style-type: none"> <li>(a) a material adverse effect on the assets, liabilities, financial position, performance, or prospects of the SXG Group taken as a whole; or</li> <li>(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,</li> </ul>
	<p>but does not include any event, change or circumstance:</p>
	<ul style="list-style-type: none"> <li>(c) required to be done or procured by SXG pursuant to the Scheme Implementation Agreement or the Scheme;</li> </ul>
	<ul style="list-style-type: none"> <li>(d) resulting from purchasing a D&amp;O Policy;</li> </ul>
	<ul style="list-style-type: none"> <li>(e) done with the prior written consent of Mawson;</li> </ul>
	<ul style="list-style-type: none"> <li>(f) to the extent that it was fully and fairly disclosed in public filings of SXG with ASX prior to execution of the Scheme Implementation Agreement;</li> </ul>
	<ul style="list-style-type: none"> <li>(g) 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;</li> </ul>
	<ul style="list-style-type: none"> <li>(h) 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;</li> </ul>
	<ul style="list-style-type: none"> <li>(i) resulting from changes in generally accepted accounting principles or the interpretation of them by any professional body or government agency; or</li> </ul>
	<ul style="list-style-type: none"> <li>(j) arising from the announcement or pendency of the Transaction (including any loss or adverse change in employees, customers or partners).</li> </ul>
<b>SXG Non-Associated Shareholders</b>	means the SXG Shareholders excluding the Excluded Shareholders.
<b>SXG Option</b>	an option to acquire by way of issue one SXG Share.
<b>SXG Performance Right</b>	a right to be issued one SXG Share upon satisfaction of vesting conditions.
<b>SXG Prescribed Event</b>	the occurrence of any of the following between the date of the Scheme Implementation Agreement and 8:00am on the Second Court Date:

DEFINED TERM	MEANING
	<p>(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:</p> <ul style="list-style-type: none"> <li>(i) an issue to SXG or a direct or indirect wholly-owned Subsidiary of SXG;</li> <li>(ii) the issue of SXG Options or SXG Performance Rights to existing or new staff in accordance with usual practice; or</li> <li>(iii) on exercise or vesting of SXG Options or SXG Performance Rights;</li> </ul> <p>(b) any member of the SXG Group issues, or agrees to issue, convertible notes;</p> <p>(c) SXG converting all or any of its shares into a larger or smaller number of shares;</p> <p>(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;</p> <p>(e) any member of the SXG Group:</p> <ul style="list-style-type: none"> <li>(i) entering into a share buy-back agreement; or</li> <li>(ii) resolving to approve the terms of a share buy-back agreement;</li> </ul> <p>(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);</p> <p>(g) SXG making any change to its constitution;</p> <p>(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;</p> <p>(i) a SXG Insolvency Event occurs; or</p> <p>(j) any member of the SXG Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,</p>
	<p>but excludes the transactions contemplated by the Scheme Implementation Agreement, transactions undertaken with the prior written consent of Mawson and matters fully and</p>

DEFINED TERM	MEANING
	fairly disclosed in public filings of SXG with ASX prior to execution of the Scheme Implementation Agreement.
<b>SXG Representations and Warranties</b>	the representations and warranties of SXG in Schedule 3 of the Scheme Implementation Agreement.
<b>SXG Share</b>	a fully paid ordinary share in SXG.
<b>SXG Shareholder</b>	each person who is registered as the holder of a SXG Share in the Share Register from time to time.
<b>SXG Shareholder Information Line</b>	the information telephone line that SXG Shareholders can contact for further information about the Scheme, being 1300 077 160 (within Australia) or +61 1300 077 160 (outside Australia) on Monday to Friday between 8.30am and 5.00pm (Melbourne time) or alternatively you can send an email to Open Engagement at <a href="mailto:brendan@openengagement.au">brendan@openengagement.au</a> .
<b>Takeovers Panel</b>	the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
<b>Third Party</b>	a person other than a Mawson Group member or an SXG Group member.
<b>TSXV</b>	TSX Venture Exchange
<b>Uranium Projects</b>	the six exploration licences for zirconium, scandium, yttrium and lanthanum and other lanthanides (rare earths) located through central and northern Sweden, and which are held by Mawson at the date of this Scheme Booklet.
<b>Voting Entitlement Time</b>	the time and date for determining voting eligibility at the Scheme Meeting, being 7.00 pm on Wednesday 11 December 2024.
<b>VWAP</b>	the volume weighted average price.

## 13.2 Interpretation

In this Scheme Booklet, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act, unless inconsistent with the meaning given in this section;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (f) a reference to a section or annexure is a reference to a section of or an annexure to this Scheme Booklet as relevant;

- (g) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (h) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (i) a reference to time is a reference to time is to Melbourne time, unless otherwise indicated;
- (j) a reference to writing includes facsimile transmissions; and
- (k) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

# Corporate Directory

## **Southern Cross Gold Limited** **ACN 652 166 795**

C/- JM Corporate Services Level 21 459 Collins Street Melbourne VIC 3000  
+61 3 8630 3321  
<https://www.southerncrossgold.com.au/>

### **Directors**

Ernest Thomas Eadie (Non-executive Chairman)

Michael Robert Hudson (Managing Director)

David Alan Henstridge (Non-executive Director)

Georgina Margaret Carnegie (Non-Executive Director)

### **Company Secretary**

Justin Mouchacca  
JM Corporate Services  
Level 21, 459 Collins Street  
Melbourne Vic 3000

### **Auditor**

#### **William Buck Audit (VIC) Pty Ltd**

Level 20, 181 William Street  
Melbourne VIC 3000

<https://williambuck.com/>

### **Legal adviser**

#### **Hamilton Locke**

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

[www.hamiltonlocke.com.au](http://www.hamiltonlocke.com.au)

### **Tax adviser**

#### **Hamilton Locke Pty Ltd**

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

[www.hamiltonlocke.com.au](http://www.hamiltonlocke.com.au)

### **Independent Expert**

#### **Grant Thornton Corporate Finance Pty Ltd**

Level 17, 383 Kent Street  
Sydney NSW 2000

<https://www.grantthornton.com.au/>

### **Investigating Accountant**

#### **William Buck Audit (VIC) Pty Ltd**

Level 20, 181 William Street  
Melbourne VIC 3000

<https://williambuck.com/>

### **Share Registry**

#### **Computershare Investor Services Pty Limited**

Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067  
Australia

[www.computershare.com/au](http://www.computershare.com/au)

## Schedule 1

### COMPARISON OF RELEVANT AUSTRALIAN AND CANADIAN LAWS

Requirement	Australia	Canada (British Columbia)
Rights attaching to shares		
Share capital	<p>The Corporations Act does not:</p> <ul style="list-style-type: none"> <li>• prescribe the minimum amount of share capital that a company should have;</li> <li>• prescribe a minimum issue price for each share in a company; or</li> <li>• require a company to place a maximum limit on the share capital for which its members may subscribe.</li> </ul> <p>Australian law does not contain any concept of authorised capital or par value per share.</p> <p>The issue price of shares is set by the directors collectively as a board at the time of each issue.</p>	<p>The BCBCA does not:</p> <ul style="list-style-type: none"> <li>• prescribe the minimum amount of share capital that a company should have;</li> <li>• prescribe a minimum issue price for each share in a company except for a share with par value, the issue price of which cannot be less than its par value; or</li> <li>• require a company to place a maximum on the number of shares of a class or series that may be issued.</li> </ul> <p>Under the BCBCA, the “authorised share structure” of a company means the kinds, classes, and series of shares, and the limits, if any, on the number of shares of those kinds, classes, and series of shares, that a company is authorised by its Notice of Articles to issue. The issue price for a share with par value must be set by a directors’ resolution and must be equal to or greater than the par value of the share. The issue price of shares without par value is set either:</p> <ul style="list-style-type: none"> <li>• in the manner contemplated by the company’s Articles; or</li> <li>• if the Mawson Articles do not contemplate the manner in which the issue price is to be set, by a directors’ resolution (or by a special resolution in certain instances involving ‘pre-existing companies’ that have not transitioned or removed the application of pre-existing company provisions).</li> </ul> <p>Mawson is authorised under its Notice of Articles to issue shares without par value only. The Mawson Articles provide that Mawson may issue shares in the manner, on the terms and conditions and for the issue prices that the directors may determine.</p>

Requirement	Australia	Canada (British Columbia)
Transfer of shares	<p>Under SXG's constitution, the SXG Board may decline to register a transfer of shares where:</p> <ul style="list-style-type: none"> <li>• may refuse to register a transfer of shares only if that refusal would not contravene the Listing Rules or the ASX Settlement Rules;</li> <li>• without limiting the above, but subject to the Corporations Act, the Listing Rules and the ASX Settlement Rules, may refuse to register a transfer of shares where the registration of the transfer would create a new holding of an unmarketable parcel;</li> <li>• subject to section 259C of the Corporations Act, must not register a transfer to a subsidiary of the company; and</li> <li>• must not register a transfer if the Act, the Listing Rules or the ASX Settlement Rules forbid registration.</li> <li>• If the Board refuses to register a transfer, the company must give the lodging party notice of the refusal and the reasons for it within five business days after the date on which the transfer was delivered to it.</li> </ul>	<p>Mawson's Articles provide that a transfer of a Mawson share must not be registered unless Mawson or the transfer agent or registrar for the class or series of share to be transferred has received certain documents, which include the share certificate (if one was issued), a written instrument of transfer and such other evidence, if any, as Mawson or the transfer agent or registrar may require to prove the title of the transferor or the transferor's right to transfer the share.</p>
Purchase of own shares	<p>Under the Corporations Act, a company may buy back its shares under a specific buy back scheme if:</p> <ul style="list-style-type: none"> <li>• the buy back does not materially prejudice the company's ability to pay its creditors; and</li> <li>• the company follows the procedures set out in the Corporations Act.</li> </ul> <p>Share buy backs that intend to buyback more than 10% of the votes attaching to the smallest number of shares in the previous 12 months require approval by the company's members by way of ordinary resolution.</p> <p>The form of shareholder approval (e.g. ordinary resolution or</p>	<p>Under the BCBCA, a company may redeem its shares, only if the shares have a right of redemption attached to them, and may purchase its shares only if so authorised by (and subject to) its Articles. It may otherwise acquire any of its shares, subject to any restriction in its Articles.</p> <p>Under the Mawson Articles, Mawson may, if authorised by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.</p> <p>Under the BCBCA and the Mawson Articles, a company must not make any payments or provide any consideration to redeem, purchase, or otherwise acquire any of its shares if there are reasonable grounds for</p>

Requirement	Australia	Canada (British Columbia)
	<p>special/unanimous resolution), if required, and the notice period and disclosure requirements to be given to shareholders will depend on the type of buy back. Generally, buy back schemes can be characterised as minimum holding, equal access, selective, on-market or relating to employee shares schemes.</p>	<p>believing that the company is insolvent or that the redemption or purchase would make it insolvent.</p>
<p>Source and payment of dividends</p>	<p>A company must not pay a dividend unless the value of its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The dividend must be reasonable to the company's shareholders as a whole and must not materially prejudice the company's ability to pay its creditors. Additionally, where a dividend is paid out of capital, the provisions of the Corporations Act relating to reductions of capital must also be complied with.</p>	<p>Under the BCBCA, unless the Mawson Articles or applicable legislation provides otherwise, a company may declare and pay a dividend, whether out of profits, capital, or otherwise, by issuing shares or warrants, distributing property, or paying money. A company is precluded from paying a dividend in property or money if there are reasonable grounds for believing that the company is insolvent or the payment of the dividend would render the company insolvent. Any director who votes for or consents to a resolution authorizing the company to pay a dividend contrary to the solvency requirement may be personally liable. However, insolvency or potential insolvency does not preclude a company from paying a dividend by issuing shares or warrants.</p>
<p>Variation of class rights</p>	<p>In accordance with clause 54 of the SXG constitution, rights attaching to a class of shares may only be varied or cancelled by special resolution of the company's shareholders and a special resolution of those members holding shares in that class or otherwise with the consent in writing of the holders of 75% of that class.</p>	<p>The BCBCA provides that a company may vary or delete any special rights or restrictions attached to the shares of any class or series of shares of the company, whether issued or unissued. Special rights or restrictions may also be altered by court order. If special rights or restrictions are altered and any right or special right attached to issued shares is prejudiced or interfered with, then the consent, by a special separate resolution, of the holders of shares of that class or series will be required.</p> <p>Under the BCBCA, the type of resolution required to create or vary special rights or restrictions the type of shareholders' resolution specified by the Mawson Articles, or, if the Mawson Articles do not specify the type of resolution, a special resolution.</p> <p>The Mawson Articles cannot specify that a directors' resolution may create</p>

Requirement	Australia	Canada (British Columbia)
		or vary special rights or restrictions: only a shareholders' resolution is permitted.
<b>Capital raising</b>		
Issue of new shares	<p>The Corporations Act allows directors to issue shares without shareholder approval.</p> <p>Subject to specified exceptions (for pro rata issues, etc.), the ASX Listing Rules apply to restrict a company from issuing, or agreeing to issue, more ordinary securities than 15% of the total of the number calculated accordingly to a prescribed equation in any 12 month period unless the company has shareholder approval.</p>	<p>The BCBCA provides that subject to payment of consideration for shares, to the Notice of Articles and to the Mawson Articles of Mawson, the Mawson Shares may be issued at the times and to the persons that the directors may determine.</p> <p>A share must not be issued until it is fully paid.</p>
Continuous disclosure	<p>Under the ASX Listing Rules, a company is required to disclose to ASX any information concerning the company that a reasonable person would expect to have a material effect on the price or the value of its shares (or options).</p> <p>The Corporations Act also imposes obligations on a company to require it to notify the ASX of relevant information where the company is required under the ASX Listing Rules to notify ASX of information about specified events or matters as they arise for market disclosure.</p> <p>There are also periodic reporting and disclosure rules that apply to SXG, requiring it (among other things) to report to ASX at the end of every half year and annually in respect of its financial statements and reports.</p>	<p>The BCBCA requires a reporting issuer or reporting issuer equivalent to place before each annual general meeting the financial statements it is required to file under the Securities Act or similar legislation of another jurisdiction and the auditor's report made on those financial statements. Additional requirements regarding the content, filing, approval, and delivery of financial statements are imposed by securities legislation.</p> <p>Mawson's Articles do not address continuous disclosure matters, but Mawson will be subject to Canadian continuous disclosure obligations.</p>
<b>Directors</b>		
Appointment of directors	<p>SXG must have three to twelve directors. At each general meeting, one third of the SXG Board (or the number nearest to but not exceeding one third) (except the managing director) must retire from office, but no director may retain office for more than three years or until the third annual general meeting. The director or directors to retire are the one-third or other number nearest to but not exceeding one-third of the number of the Directors who have been longest</p>	<p>The BCBCA requires that a public company have at least three directors. Those who are not qualified to become or act as directors include people under the age of 18, people found to be incapable of managing their own affairs, undischarged bankrupts, people in respect of whom a certificate of incapability is issued and people who have been convicted of an offence concerning the promotion, formation, or management of a corporation or an unincorporated</p>

Requirement	Australia	Canada (British Columbia)
	<p>in office since their election. A retiring director is eligible for re-election.</p> <p>The SXG Directors may, at any time, appoint any person as a director subject to some restrictions set out in SXG's constitution.</p>	<p>business or an offence involving fraud, subject to certain exceptions. A director does not need to hold any shares of the company unless the Mawson Articles require it. There is no requirement that a director of a company be a resident of British Columbia or of Canada. The Mawson Articles provide that at each annual general meeting of Mawson, all the directors whose term of office expire at such annual general meeting shall cease to hold office immediately before the election of directors at such annual general meeting and the Mawson shareholders entitled to vote thereat shall elect to the board of directors. Each director may be elected for a term of office of one or more years of office as may be specified by ordinary resolution at the time he is elected. In the absence of any such ordinary resolution, a director's term of office shall be one year of office. No director shall be elected for a term of office exceeding five years of office. The shareholders may, by resolution of not less than 3/4 of the votes cast on the resolution vary the term of office of any director.</p> <p>Any casual vacancy occurring in the board of directors may be filled by the directors.</p> <p>Between annual general meetings, the directors may appoint one or more additional directors, but the number of additional directors appointed under this provision of the Mawson Articles must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this provision. Any director so appointed ceases to hold office immediately before the next election of directors but is eligible for re-election or re-appointment.</p>
Removal of directors	<p>SXG may remove a director before his or her period of office ends by passing a resolution at a general meeting. Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.</p>	<p>The Mawson Articles provide that Mawson may remove any director before the expiration of his or her term of office by resolution of shareholders of not less than 3/4 of the votes cast on such resolution.</p> <p>The directors may remove any director before the expiration of his or</p>

Requirement	Australia	Canada (British Columbia)
		<p>her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.</p>
<p>Rotation of directors</p>	<p>Under the ASX Listing Rules, the directors of SXG, other than the managing director, are to retire by rotation.</p> <p>Under SXG's constitution, at every annual general meeting, one third of the directors (other than the managing director) or, any director who, if that director did not retire at that annual general meeting, would have held that office for more than three years, must automatically retire from office. These directors are entitled to be re-elected.</p>	<p>The BCBCA does not provide for any rotation requirements for boards of directors of public companies. The Mawson Articles do not impose any rotation restrictions or requirements on its board of directors.</p> <p>The TSXV Corporate Finance Manual prohibits listed issuers from constructing mechanisms that entrench existing management such as staggered elections of the board of directors.</p>
<p>Powers of the board of directors</p>	<p>The SXG constitution grants the SXG Board the power to manage SXG's business and to exercise all powers of SXG except the powers specified in the Corporations Act or the SXG constitution that are to be exercised by shareholders.</p>	<p>Pursuant to the BCBCA, the directors of Mawson must manage or supervise the management of the business and affairs of Mawson. The articles of a company may transfer, in whole or in part, the powers of the directors to manage or supervise the management of the business and affairs of the company to one or more other persons. The provision transferring the powers of the directors can be in the Mawson Articles at the time of the company's recognition or can be added later by special resolution.</p>
<p>Fiduciary duties of directors and officers</p>	<p>Under Australian law, the directors and officers of a company are subject to duties to act in good faith in the interests of the company, act for a proper purpose, not fetter their discretion (in the case of directors only), exercise care, skill and diligence, avoid conflicts of interest, not use their position to their advantage, and not misappropriate company property.</p>	<p>The BCBCA states that every director and officer must act honestly and in good faith with a view to the best interests of the company, and exercise the care, diligence, and skill that a reasonably prudent individual would exercise in comparable circumstances.</p>
<p>Remuneration of directors and officers</p>	<p>Under the ASX Listing Rules, the maximum amount to be paid to a company's directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders at a general meeting.</p>	<p>Under the Mawson Articles of Mawson, the directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That</p>

Requirement	Australia	Canada (British Columbia)
	<p>Australian law gives shareholders of listed companies the right to participate in a non-binding vote, to be held at the annual general meeting, on the adoption of the remuneration report of the company. The remuneration report is included in the directors' report and is required to contain a discussion of the board's policy in relation to remuneration of key management personnel of the company.</p>	<p>remuneration may be in addition to any salary or other remuneration paid to any officer or employee of Mawson as such, who is also a director.</p>
Retirement benefits	<p>Under the Corporations Act, a company is allowed to pay benefits to directors and officers on their retirement or termination. These benefits require shareholder approval, except in certain circumstances.</p> <p>Under the ASX Listing Rules, termination benefits to directors (that are or may be payable to all officers) must not exceed 5% of the equity interests of a company as set out in its latest financial statements given to ASX. The 5% limit may, however, be exceeded with shareholder approval.</p>	<p>The BCBCA does not address retirement benefits matters. The Mawson Articles provide that unless otherwise determined by ordinary resolution, the directors on behalf of Mawson may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.</p>
Insider trading	<p>Under the Corporations Act, any person who possesses price sensitive information relating to a company or its securities is prohibited (subject to exceptions) from buying or selling those securities or procuring others do so, or from communicating the information to third parties.</p>	<p>The Mawson Articles do not address insider trading matters. The BCBCA states that every insider of a private company is liable if they make use of specific confidential information in any transaction relating to any security of the private company, if it is for the benefit or advantage of the insider or any associate or affiliate of the insider and if such information, if generally known, might reasonably be expected to materially affect the value of the security.</p> <p>The <i>Securities Act</i> (British Columbia) provides that directors, officers, and employees who participate in insider trading activities by buying and selling securities of their company with knowledge of material facts or changes that have not been generally disclosed to the public are liable to fines and imprisonment.</p>
Director's declarations of interest	<p>The Corporations Act generally requires a company's director who has a material personal interest in a matter that relates to the affairs of the company to give the other directors</p>	<p>Under the BCBCA, subject to certain exemptions, directors and senior officers of a company must disclose conflicts of interest when a contract or transaction is material to the company</p>

Requirement	Australia	Canada (British Columbia)
	<p>notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the director has an interest. A company's directors, when entering into transactions with the company, are subject to the common law and statutory duties to avoid conflicts of interest.</p>	<p>and the director or senior officer has a material interest in the contract or transaction, or the director or senior officer has a material interest in, or is a director or senior officer of, a person who has a material interest in the contract or transaction. A director or senior officer is liable to account to the company for any profit that accrues to the director or senior officer under or as a result of a contract or transaction in which the director or senior officer holds a disclosable interest.</p> <p>Directors and senior officers are relieved from their obligation to account for profits if the contract or transaction is approved by the disinterested directors, by the shareholders by special resolution or by the court.</p>
<p>Release from liability and indemnification of directors and officers</p>	<p>A company may not generally exempt a director from, or indemnify him or her against, liability in connection with any negligence, default, breach of duty or breach of trust by him or her in relation to the company (or an associated company).</p> <p>The general prohibition against exemption or indemnification by a company of its directors is subject to the following exceptions:</p> <ul style="list-style-type: none"> <li>• the company may indemnify a director against liabilities incurred in connection with a claim made by third parties, for example, a creditor; and</li> <li>• the company is permitted to purchase and maintain insurance for its directors (or directors of its associated companies).</li> </ul>	<p>The BCBCA allows a company to indemnify a director or officer against expenses, judgments, and settlements that may be reasonably incurred by reason of being or having been a director or officer of the company, if the director or officer acted honestly and in good faith in the best interests of the company, or in the case of an administrative or a criminal matter, if that director or officer had reasonable grounds to believe that their conduct was lawful. The company has a mandatory obligation to pay expenses actually and reasonably incurred by a director or officer, if the director or officer has not been reimbursed for such expenses and is wholly successful on the merits of the proceeding. The company is entitled to purchase and maintain directors' and officers' liability insurance to cover the directors and officers against third-party claims that arise while they are performing their duties as directors or officers.</p>
<b>Shareholders meetings</b>		
<p>Meetings of shareholders</p>	<p>A company's annual general meeting must be held at least once in each calendar year and within five months after the end of its financial year. A general meeting of a company's shareholders may be called from time to time by the company's board, the company's individual directors or</p>	<p>Under the BCBCA, unless an annual general meeting is deferred or waived in accordance with the BCBCA, Mawson must hold an annual general meeting at least once in each calendar year and not more than 15 months after the date of the last annual general meeting at such time</p>

Requirement	Australia	Canada (British Columbia)
	by the company's shareholders with at least 5% of the votes that may be cast at a general meeting may call a meeting or request the company's directors to call a meeting.	and place as may be determined by the directors. The BCBCA contemplates three ways for a general meeting of shareholders to be called: (1) by the directors; (2) by requisition of shareholders holding not less than 1/20 of the issued shares carrying the right to vote at a general meeting at the time the company receives the requisition; or (3) by court order.
Notice of meetings	For a listed company, notice of a general meeting must be given, at least 28 days before the date of the meeting, to a company's shareholders entitled to vote at the meeting, as well as to the company directors and auditors.	Under the BCBCA, for a public company, notice of a shareholders general meeting must be given at least 21 days or any longer period specified in the company's Articles and not more than two months.
Quorum	Quorum under the SXG constitution is two SXG Shareholders. If a quorum is not present within 30 minutes, the meeting may be dissolved (if the meeting was convened by members) or be adjourned without specifying a date for a further meeting.	<p>Under the Mawson Articles, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.</p> <p>If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present: (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place. If, at the meeting to which the previous meeting for lack of a quorum was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.</p>
Passing resolutions at a general meeting	Under the Corporations Act, a resolution at a general meeting of shareholders is to be passed by a simple majority of votes cast by the shareholders present (in person or by proxy) and voting at the meeting.	Unless the BCBCA or the company's Articles provide otherwise, an ordinary resolution at a company's general meeting of shareholders is to be passed by a simple majority of votes cast by the shareholders entitled to vote on the resolution.

Requirement	Australia	Canada (British Columbia)
<p>Ordinary and special resolutions</p>	<p>Unless the Corporations Act or the constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution by shareholders entitled to vote on the resolution.</p> <p>A special resolution may be passed if notice of a general meeting is given which specifies the intention to propose the special resolution and states the resolution to be proposed.</p> <p>A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by a company by special resolution, including the change of name of the company, a selective reduction of capital or selective share buy back, the conversion of the company from one type or form to another and a decision to wind up the company voluntarily.</p> <p>Under the Corporations Act, a special resolution is also required to modify or repeal a company's constitution.</p>	<p>The BCBCA defines "ordinary resolution" as a resolution:</p> <p>(a) passed at a general meeting by a simple majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings, or</p> <p>(b) passed, after being submitted to all of the shareholders holding shares that carry the right to vote at general meetings, by being consented to in writing by shareholders holding shares that carry the right to vote at general meetings who, in the aggregate, hold shares carrying at least a special majority of the votes entitled to be cast on the resolution.</p> <p>"Special resolution" means a resolution passed at a general meeting under the following circumstances: (i) notice of the meeting specifying the intention to propose the resolution as a special resolution is sent to all shareholders holding shares that carry the right to vote at general meetings at least the prescribed number of days before the meeting; (ii) the majority of the votes cast by shareholders voting shares that carry the right to vote at general meetings is cast in favour of the resolution; (iii) the majority of votes cast in favour of the resolution constitutes at least a special majority.</p> <p>The Mawson Articles provide that the majority of votes required for Mawson to pass a special resolution at a meeting of shareholders is two-thirds (<math>\frac{2}{3}</math>) of the votes cast on the resolution.</p> <p>Under the BCBCA, certain matters must be approved by special resolution. Some of these matters include, but are not limited to: changing the company's authorized share structure; creating, varying, or deleting special rights or restrictions attached to shares; making alterations, determinations, or authorizations with respect to a series of shares where some are issued; reducing capital; removing a director before the expiry of that director's term of office and approving a contract</p>

Requirement	Australia	Canada (British Columbia)
		or transaction in which a director has a disclosable interest.
Shareholder proposed resolutions	Under the Corporations Act, shareholders holding at least 5% of the votes that may be cast at a general meeting, or at least 100 shareholders who are entitled to vote at the meeting, may by written notice to the company propose a resolution for consideration at the next general meeting occurring more than two months after the date of that notice.	<p>Under the BCBCA, a shareholders' proposal is valid if the proposal is signed by the submitter; the proposal is signed by qualified shareholders (<b>supporters</b>) who, together with the submitter are, at the time of signing, registered or beneficial owners of shares that, in the aggregate: constitute at least 1/100 of the issued shares of the company that carry the right to vote at general meetings; or have a fair market value in excess of CAD\$2,000; the proposal is received at the registered office of the company at least three months before the anniversary of the previous year's annual general meeting, together with signed declarations from the submitter and each supporter providing certain information and declarations.</p> <p>When the company receives a proposal it must send the text of the proposal; the names and mailing addresses of the submitter and the supporters; and the text of the statement accompanying the proposal, if any, to all of the persons entitled to notice of the relevant annual general meeting. The information must be sent in the notice of the relevant annual general meeting, or in the company's information circular. In addition, the company must allow a submitter to present the proposal, personally or by proxy, at the relevant annual general meeting, provided that the submitter is still a qualified shareholder at the time of that meeting. Under the BCBCA a company is excused from the obligation to process the proposal in certain specific circumstances:</p> <ol style="list-style-type: none"> <li>1. multiple proposals on the same topic;</li> <li>2. the proposal received too late</li> <li>3. invalid proposal;</li> <li>4. the proposal previously rejected (substantially the same proposal was submitted to shareholders relating to a previous meeting held not more than five years and did not receive the support of: (a) 3% of the total shares voted on the proposal, if the proposal was</li> </ol>

Requirement	Australia	Canada (British Columbia)
		<p>introduced at only one general meeting during that five-year period; (b) 6% of the total shares voted on the proposal the last time it was submitted, if the proposal was introduced at two general meetings during that five-year period; (c) 10% of the total shares voted on the proposal the last time it was submitted, if the proposal was introduced at three or more general meetings during that five-year period;</p> <ol style="list-style-type: none"> <li>5. the proposal not relevant to the company;</li> <li>6. improper purpose (primary purpose for the proposal is: securing publicity; or enforcing a personal claim or redressing a personal grievance against the company or any of its directors, officers, or security holders);</li> <li>7. the proposal has already been substantially implemented;</li> <li>8. the proposal, if implemented, would cause the company to commit an offence;</li> <li>9. No power to implement—the proposal deals with matters beyond the company’s power to implement</li> </ol>
<b>Voting</b>	<p>Each share of a company confers a right to vote at all general meetings. On a show of hands, each company shareholder present in person or by proxy, attorney or body corporate representative has one vote. If a poll is held, the company’s shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every company share held. A signed proxy must be received at least 48 hours before a meeting.</p> <p>A poll may be demanded by the chairman of the general meeting, at least five company shareholders entitled to vote on the resolution or shareholders present at the meeting holding at least 5% of the votes that may be cast on the resolution on a poll. The percentage of votes that shareholders have is to be worked out as at the midnight</p>	<p>Under the BCBCA, subject to the Mawson Articles, a shareholder has one vote in respect of each share held, and may vote personally or by proxy.</p> <p>Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders: (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.</p> <p>Unless the Mawson Articles provide otherwise, shareholders and proxy holders can participate in, and vote at, meetings of shareholders by telephone or “other communications medium” (for example, by video</p>

Requirement	Australia	Canada (British Columbia)
		<p>conference, or perhaps an internet chat room), as long as all participants, whether present in person or by the communications medium, can communicate with each other.</p>
<p>Related party transactions</p>	<p>The Corporations Act prohibits a public company from giving a related party a financial benefit unless it obtains the prior approval of shareholders and gives the benefit within 15 months after approval or the financial benefit is exempt. A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are reasonable in the circumstances.</p> <p>The ASX Listing Rules prohibit a listed entity from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to certain parties, including related parties, unless it obtains the approval of shareholders. The related parties include (but are not limited to) directors of the entity and an entity that controls the entity; a subsidiary of the entity; a person who has or has had in the prior six month period a relevant interest in 10% or more of the shares in the entity and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's-length terms.</p> <p>The ASX Listing Rules also prohibit a listed entity from issuing or agreeing to issue shares to related parties unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement, under a dividend or distribution plan or under an approved employee incentive plan.</p>	<p>A director or senior officer may not be held accountable for profits or gains realized from a contract or transaction with the company in which they have a disclosable interest, provided that the director or officer takes certain steps set out in the BCBCA.</p> <p>Except as specifically provided in the BCBCA, a director or senior officer is not required to disclose any direct or indirect interest or account for any profits arising in relation to a disclosable interest.</p> <p>A director or senior officer must disclose an interest if the contract or transaction that creates the conflict is "material" to the company; and if the director or senior officer has a "material interest" in the contract or transaction, or if the director or senior officer is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction.</p> <p>A director or senior officer is not required to disclose their interest in a contract or transaction merely because:</p> <ol style="list-style-type: none"> <li>1. the contract or transaction relates to security granted by the company for loans to or obligations undertaken by the director or senior officer or a person in whom the director or senior officer has a material interest, for the benefit of the company or its affiliate; or</li> <li>2. it relates to an indemnity or insurance for the director or senior officer; or</li> <li>3. it relates to the remuneration of a director or senior officer in their capacity as a director, officer, agent, or employee of the company or its affiliate; or</li> </ol>

Requirement	Australia	Canada (British Columbia)
		<p>4. it relates to a loan to the company, and they (or a particular corporation or firm in which they have a material interest) have guaranteed or will guarantee the repayment of the loan; or</p> <p>5. it is with or for the benefit of an affiliated corporation, and they are a director or senior officer of that affiliated corporation, or of an affiliate of that corporation.</p> <p>A director or senior officer is not liable to account for any profits from the contract or transaction that they were required to disclose, provided that:</p> <ol style="list-style-type: none"> <li>1. the disclosable interest was disclosed under the relevant Companies Act and the contract or transaction was approved in accordance with the BCBCA; or</li> <li>2. the contract or transaction is approved by the non-conflicted directors after the nature and extent of the interest has been disclosed to them; or</li> <li>3. the contract or transaction is approved by special resolution of the shareholders after the nature and extent of the interest has been disclosed to the shareholders entitled to vote on it; or</li> <li>4. even if the contract or transaction is not approved, if the contract or transaction was entered into before the person became a director or senior officer, the interest is disclosed to the directors or the shareholders and the interested director or senior officer does not participate in any decisions or resolutions relating to the matter</li> </ol>
Protection of minority shareholders	Under the Corporations Act, any shareholder of a company can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or	<p><u>Oppression Remedy</u></p> <p>A shareholder of a company may apply for a court order under the</p>

Requirement	Australia	Canada (British Columbia)
	<p>oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any company shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.</p> <p>A statutory derivative action may also be instituted by a company shareholder, former company shareholder or person entitled to be registered as a company shareholder. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that it is probable that the company will not itself bring the proceedings or properly take responsibility for them or for the steps in them, the applicant is acting in good faith, it is in the best interests of the company that the applicant be granted leave, if the applicant is applying for leave to bring proceedings, there is a serious question to be tried and the applicant gives proper written notice to the company specifying its intention to and reasons for applying or it is otherwise appropriate to give leave.</p>	<p>BCBCA under an oppression claim on the following grounds:</p> <ol style="list-style-type: none"> <li>1. the affairs of the company are being or have been conducted (or the powers of the directors are being or have been exercised) in a manner “oppressive” to one or more of the shareholders, including the applicant; or</li> <li>2. some act of the company has been done (or is threatened) or some resolution of the members has been passed (or has been proposed) that is “unfairly prejudicial” to one or more of the shareholders, including the applicant.</li> </ol> <p>If the court is satisfied that there has been oppression or unfairly prejudicial conduct, it “may make any interim or final order it considers appropriate”.</p> <p><u>Derivative Actions</u></p> <p>Under the BCBCA, a shareholder or director of a company (<b>complainant</b>) may, with leave of the court, prosecute a “legal proceeding” in the name and on behalf of the company:</p> <ol style="list-style-type: none"> <li>1. to enforce a right, duty, or obligation owed to the company that could be enforced by the company itself; or</li> <li>2. to obtain damages for any breach of any such right, duty, or obligation. A complainant may also, with leave of the court, defend, in the name and on behalf of a company, a legal proceeding brought against the company.</li> </ol> <p>The court may grant leave if: (a) the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding; (b) notice of the application for leave has been given to the company and to any other person the court may order, (c) the complainant is acting in good faith, and (d) it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.</p>

Requirement	Australia	Canada (British Columbia)
		<p>The court may:</p> <ol style="list-style-type: none"> <li>1. make an order that the complainant give security for costs;</li> <li>2. authorize any person to control the conduct of the legal proceeding or give any other directions;</li> <li>3. order interim costs to be paid to the person controlling the conduct of the legal proceeding;</li> <li>4. on final disposition of a legal proceeding, make various other orders including orders for repayment of interim costs advanced and for indemnities as to costs and expenses.</li> </ol> <p><u>Dissent Proceedings</u></p> <p>The BCBCA provides that a shareholder is entitled require the company to purchase the shareholder's shares when exercising a right of dissent. The rights of dissent given permit a dissenting shareholder to refuse to participate in ventures not originally contemplated for the company. When giving notice of a meeting to consider a resolution as a result of which a notice of dissent may be given, the company must include in a notice to its shareholders (whether or not their shares carry the right to vote) a statement advising them of the right to dissent.</p> <p>Situations in which shareholders are entitled to dissent include:</p> <ol style="list-style-type: none"> <li>1. in respect of a resolution to alter the Mawson Articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;</li> <li>2. in respect of a resolution to adopt an amalgamation agreement;</li> <li>3. in respect of a resolution to approve a trans-border amalgamation resulting in a foreign amalgamated corporation;</li> <li>4. in respect of a resolution to approve an arrangement, if the terms of the arrangement permit dissent;</li> <li>5. in respect of a special resolution to authorize or ratify the sale, lease or other disposition of all or</li> </ol>

Requirement	Australia	Canada (British Columbia)
		<p>substantially all of a company's undertaking;</p> <ol style="list-style-type: none"> <li>6. in respect of a special resolution to authorize the continuation (export) of a company into a jurisdiction other than British Columbia;</li> <li>7. in respect of any other resolution, if dissent is authorized by the resolution; and</li> <li>8. in respect of any court order that permits dissent.</li> </ol> <p>As a result of the statutory right to dissent, the company can be required to purchase the shareholder's shares at their fair value when the company has taken some action that triggers the right to dissent.</p>
<p>Inspection of books</p>	<p>Under the Corporations Act, a shareholder must obtain a court order to obtain access to SXG's books and records.</p>	<p>Under the BCBCA, current shareholders of a company are entitled to inspect, without charge, all of the records the company is required to maintain other than minutes of directors' meetings and directors' consent resolutions (and those of committees of directors), written disclosures made to the directors of conflicts of interest, written disclosures of financial assistance, and written dissents to resolutions of directors.</p> <p>The BCBCA gives shareholders and former shareholders the right to inspect the portions of minutes of directors' meetings, or of directors' consent resolutions and other records that contain disclosures of conflicts of interest by directors and senior officers. Similarly, shareholders and former shareholders have the right to inspect disclosures of financial assistance.</p> <p>Former shareholders have the same rights of inspection as do current shareholders, but only to those records that relate to the period when that person was a shareholder.</p> <p>For public companies (a reporting issuer or the equivalent) any person has the same rights to inspect corporate documents as does a current shareholder.</p> <p>The company's records may be inspected during the hours between</p>

Requirement	Australia	Canada (British Columbia)
		<p>9:00 a.m. and 4:00 p.m., local time, Saturdays and holidays excepted; provided that the company may, by ordinary resolution, impose restrictions on the times during which a person, other than a current director, may inspect the company's records as long as those restrictions permit inspection of those records during at least two consecutive hours per day during statutory business hours.</p> <p>Any person entitled under the BCBCA to inspect a corporate record is entitled to receive a copy of that record on request on payment, to the person having custody or control of that record, of the copying fee, if any, set by that person or by the company (not to exceed \$0.50 per page).</p>
Amendments to constituent documents	Any amendment to a company's constitution must be approved by special resolution.	Under the Mawson Articles and dependent upon the type of alteration to be made, alterations may be made by a resolution of the board of directors or by ordinary resolution.
<b>Takeovers</b>		
Takeover bids	<p>The Corporations Act places restrictions on a person acquiring interests in the voting shares of a company where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. This prohibition is subject to a number of exceptions including the acquisition of not more than 3% of the voting shares in the company in the six month period before the acquisition, the acquisition that is made with shareholder approval or the acquisition that is made under a takeover bid made in accordance with Australian law. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.</p> <p>Takeover bids must treat all security holders alike, must not involve any collateral benefits and must remain open for certain period, after which time all securities deposited under</p>	The BCBCA contains compulsory acquisition provisions, which allow a person who makes an offer (an <b>acquisition offer</b> ), under a scheme or contract to acquire shares, or any class of shares, of a company (the <b>subject company</b> ) and that offer is accepted within four months by shareholders who, in the aggregate, hold at least 90% of those shares or 90% of the shares of that class of shares, to force the shareholders to whom the acquisition offer was made who did not accept the offer, to sell to the acquiring person the shares of the subject company that were involved in the offer.

Requirement	Australia	Canada (British Columbia)
	the offer may be taken up. The takeover bid rules contain various additional requirements, such as restrictions on conditional offers and withdrawal, amendment or suspension of offers.	
Takeover bid defences	Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had that effect.	The BCBCA does not prescribe specific defensive tactics that board of a public company may adopt in case of a takeover bid.
<b>Other</b>		
Disclosure of substantial holdings	<p>Under the Corporations Act, a shareholder who begins or ceases to have a substantial holding in a listed company or has a substantial holding in a listed company and there is a movement by at least 1% in their holding, must give a notice to the company and ASX.</p> <p>A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the company.</p>	<p>The BCBCA and the Mawson Articles do not address disclosure of substantial holdings matters.</p> <p>National Instrument 62-103 - <i>The Early Warning System and Related Take-Over Bid and Insider Reporting Issues</i> of the Canadian Securities Administrators requires persons to disclose their holdings of a company's securities when a person acquires beneficial ownership, direction or control over 10 per cent or more of a class of securities.</p>
Winding up	<p>A company can be wound up voluntarily by the shareholders. The directors must give a statutory declaration of solvency for such a winding up. This procedure is therefore instigated by a solvent company. A shareholders' voluntary winding up is started by the shareholders passing a special resolution.</p> <p>If the directors do not give a statutory declaration of solvency, a creditors' voluntary winding up can commence by the shareholders passing a special resolution. This procedure is therefore instigated by an insolvent company.</p> <p>Any surplus after payment of debts and interest will go to the shareholders according to the rights attached to their shares. As with</p>	<p>Under the BCBCA, depending on circumstances, the existence of a British Columbia company may be ended by:</p> <ol style="list-style-type: none"> <li>1. not making the annual filings required under the BCBCA and letting the company be eventually dissolved by the Registrar of Companies;</li> <li>2. filing an application for dissolution with the Registrar of Companies, used when a company has no assets and either has no liabilities or has made adequate provision for payment of its liabilities;</li> <li>3. passing a special resolution to liquidate and an ordinary resolution appointing a liquidator, who conducts the liquidation process including gathering in and realizing the company's assets, settling its debts and liabilities,</li> </ol>

Requirement	Australia	Canada (British Columbia)
	<p>unsecured creditors, they would be paid out of free assets or any funds available from charged assets following payment of all prior claims (ie fixed charge holders, preferential creditors and floating charge holders).</p>	<p>and distributing any remaining assets to the shareholders; and</p> <p>4. the company, a legal or beneficial shareholder, a director, or any other “appropriate person” (including a creditor) applying to a court to order a company’s liquidation, if an event has occurred that, according to the company’s Articles, triggers liquidation, or if the court considers it just and equitable to do so.</p> <p>A voluntary liquidation begins with the shareholders passing a special resolution resolving to liquidate the company. The shareholders must be given 21 clear days’ notice of a meeting at which the resolution is to be passed.</p>

## **Annexure A – Independent Expert’s Report**

# Southern Cross Gold Ltd

Independent Expert's Report and Financial Services Guide

11 November 2024

The Independent SXG Board Committee  
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11 November 2024

Dear Directors

## Introduction

Southern Cross Gold Ltd (“SXG” or “the Company”) is an Australian corporation focused on the exploration and development of high-grade gold and antimony deposits in Victoria and Queensland, Australia. SXG’s flagship project, the 100% owned Sunday Creek epizonal-style gold and antimony project (“Sunday Creek”), is located 60km north of Melbourne within 19,365 ha of granted exploration tenements<sup>1</sup>. Sunday Creek is a new high grade exploration discovery within Australia, with globally leading hit rates<sup>2</sup> and significant critical metal potential by product of antimony. SXG started trading on the Australian Securities Exchange (“ASX”) via an Initial Public Offering (“IPO”) on 16 May 2022, following the divestment by Mawson Gold Ltd (“Mawson” or “MAW”) of their Australian assets. SXG has a market capitalisation of c. A\$698.5million as at 18 October 2024.

Mawson is listed on the Toronto Stock Exchange Venture Exchange (“TSXV”) with a market capitalisation of c. C\$333.75 million (c. A\$360.4 million<sup>3</sup>) and its main asset is a 40.79% shareholding in SXG on a fully diluted basis<sup>4</sup> or 43.80% on an undiluted basis. Mawson currently also holds an interest in the Skellefteå North Gold Project<sup>5</sup> (“Skellefteå”), and a portfolio of historic uranium resources<sup>6</sup> which are held in Euro Canna Holdings Ltd (“Euro Canna”).

On 30 July 2024, SXG entered into a Scheme Implementation Agreement (“SIA”)<sup>7</sup> with Mawson under which it was proposed that Mawson would acquire 100% of the SXG shares that it does not already own by way of a Scheme of Arrangement (the “Scheme”) via the issue of Mawson shares (“Mawson Shares”) on a 1 for 1 basis (“Share Exchange Ratio”) after Mawson has completed a share consolidation.

Mawson Shares primary listing will be the TSXV however its shares will be dual listed on the ASX via Chess Depositary Interest (“CDI”).

The other key terms of the Scheme are detailed below:

<sup>1</sup> SXG is also the freeholder of 133.29 ha that form the key portion in and around the main drill area of Sunday Creek.

<sup>2</sup> Results detailed within the SXG FY24 audited accounts.

<sup>3</sup> AUD:CAD exchange rate of 1.080 (the “Exchange Rate”). Data as at 18 October 2024.

<sup>4</sup> Based on the holding of 96,590,910 shares out of SXG’s 220,535,274 undiluted shares on issue or 236,821,607 fully diluted shares on issue (excluding the performance rights).

<sup>5</sup> It consists of 2,500 ha of contiguous 100%-owned claims located in the Skellefte Mining District of Northern Sweden, located 40 km north-west of the city of Skellefteå. Mawson entered an option and joint venture agreement in January 2022 to earn-in up to 85% of the 2,500 ha from Elemental Exploration Scandinavia AB (“EES”).

<sup>6</sup> Six exploration licenses for 16,138 hectares located through central and northern Sweden.

<sup>7</sup> The SIA formalised a merger proposal which was announced on 11 June 2024 when SXG announced they had signed a Non-Binding Term Sheet (“NBTS”) with Mawson on terms similar to the SIA.



- The current Australian Board and management team of SXG (“Management”) will continue to manage the new merged group (“Merged Group”).
- In conjunction with the implementation of the Scheme, MAW intends to divest the Skellefteå and the Euro Canna project so that its only asset will be its shareholding in SXG. Mawson will retain Skellefteå until the implementation date, after which Management will review the Merged Group’s interest in Skellefteå and may consider disposing of the asset in order to focus on SXG’s current assets. Mawson has attributed no value to Skellefteå in the Share Exchange Ratio. The Euro Canna project will spin-off into a public unlisted company and subsequently distributed in specie to MAW Shareholders before implementation of the Scheme.
- Mawson will consolidate its number of shares from 306,138,320 to 96,590,910 which is consistent with number of shares that it owns in SXG in order to give effect to the 1 for 1 Share Exchange Ratio.
- Following implementation of the Scheme, Mawson will subsequently change its name to Southern Cross Gold Consolidated Ltd.

On implementation of the Scheme, SXG’s current shareholders not associated with Mawson and its associates (“SXG Non-Associated Shareholders”) will hold an approximate 52.16% interest in the Merged Group on a fully diluted basis (excluding the SXG performance rights) or 56.20% on an undiluted basis, which is fundamentally the same as their current interest in SXG.

The Scheme is subject to customary conditions precedent as set out in Section 1 of the Scheme Booklet and section 1 of this report.

The Independent SXG Board Committee<sup>8</sup> have unanimously recommended that SXG Non-Associated 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 the SXG Non-Associated Shareholders<sup>9</sup>.

## Purpose of the Report

The Independent SXG Board Committee have requested Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton Corporate Finance”, or “GTCF”) to prepare an Independent Expert Report (“IER”) stating whether the Scheme is in the best interest of SXG Non-Associated Shareholders for the purposes of Section 411 of the Corporations Act. When preparing this IER, Grant Thornton Corporate Finance had regard to the Australian Securities Investment Commission’s (“ASIC”) Regulatory Guide 111 Contents of expert reports (“RG 111”) and Regulatory Guide 112 Independence of experts (“RG 112”). The IER also includes other information and disclosures as required by ASIC.

While the legal form of the Scheme involves the exchange of SXG Shares with Mawson Shares, which is akin to a change in control transaction, the substance of the Scheme is that 1) the underlying economic interests of the SXG Non-Associated Shareholders does not change; 2) the projects and asset base of the Merged Group will largely mirror that of SXG before the Scheme; 3)

<sup>8</sup> The directors of SXG established a committee of independent directors consisting of all SXG directors other than Michael Hudson due to his role as Executive Chairman and Interim CEO of Mawson.

<sup>9</sup> SXG shareholders excluding Mawson or a subsidiary of Mawson



the interest and proportion of the Merged Group held by SXG Non-Associated Shareholders will be substantially identical to their interest and proportion in SXG; 4) no proposed changes to the Board of Directors<sup>10</sup> and Management; and 5) Mawson will change name to Southern Cross Gold Consolidated Limited.

Based on the above, we have assessed whether or not the Scheme is in the best interest of SXG Non-Associated Shareholders by comparing the advantages and disadvantages of the Scheme.

## Summary of opinion

**Grant Thornton Corporate Finance has concluded that the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the BEST INTERESTS of the SXG Non-Associated Shareholders.**

**Due to the nature of the advantages and disadvantages of the Scheme, it is not feasible to quantify each of them individually. Nonetheless, we are of the opinion that the main advantages of the Scheme being greater access to global institutional investors, the removal of the major shareholder overhang and the additional cash received from Mawson outweigh the main disadvantages of the Scheme being increased costs of SXG associated with maintaining dual-listing and the potential impact of the removal of the franking credits benefits.**

## Advantages of the Scheme

### *Greater access to global institutional investors*

The Company's exploration focus is the Sunday Creek project, with five drill rigs now operating and the Company continuing to expand the project via volume expansion and drilling high-grade areas. SXG recently confirmed a third high-grade gold-antimony zone within the Sunday Creek project. We understand from Management that Sunday Creek exploration activities currently cost c. A\$0.8 million per month. With a cash balance of c. A\$10.5 million as of 31 August 2024 and an exploration and development schedule which are expected to continue to ramp-up, SXG requires significant funding in the short and medium term.

The Scheme aims to transition SXG's current shareholder base to a more institutionally dominated and supportive register, with an immediate shift of high net worth individuals and institutional shareholders from the 17% ownership in SXG (excluding Mawson) to more than 50% in the Merged Group<sup>11</sup>. Mawson has a shareholder register which encompasses some reputable institutional investors and it is understood that existing common shareholders of both SXG and Mawson are supportive of the Scheme<sup>12</sup>.

As detailed in the Scheme Booklet, 47.50% of SXG's shareholder base is located offshore (including Mawson which represents 43.80% of the undiluted share capital). The dual-listing on the TSXV and ASX will enable Australian and North American investors to participate in SXG's future trading and will provide SXG access to a greater and more sophisticated financial market.

<sup>10</sup> We note that the current Directors of SXG may be completed by one additional Director from Mawson.

<sup>11</sup> As detailed in Section 4.2 (c) in the Scheme Booklet.

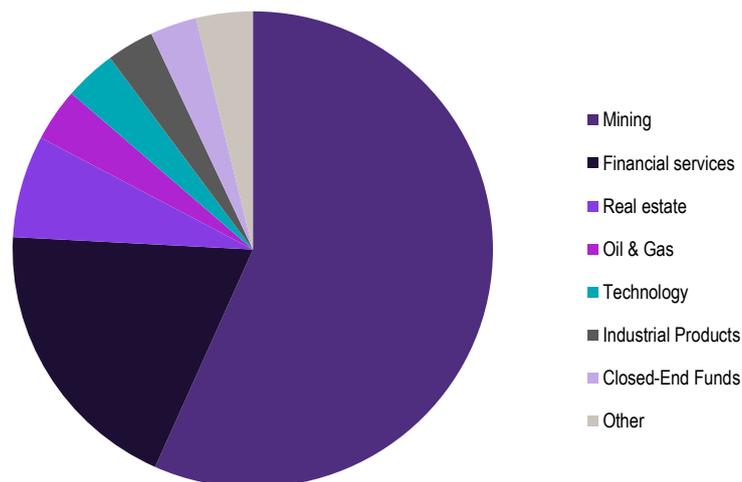
<sup>12</sup> Including Pierre Lassonde, Darren Morcombe, and Konwave AG.



The North America capital markets are some of the largest and most liquid markets in the world. As of 18 October 2024, the ASX had a market capitalisation of c. A\$2.8 trillion<sup>13</sup>, which is below the size of Toronto Stock Exchange (“TSE”) and TSXV at c. A\$4.2 trillion<sup>14</sup>. Further, Canada is one of the world’s richest mineral locations and subsequently the TSX and TSXV are especially popular with mining companies and investors, with more mining companies listed there than any other exchange in the world<sup>15</sup>.

In June 2024 year-to-date (“YTD”), equity capital raised on the TSX and TSXV shows that c. 57% of the A\$12 billion raised related to mining companies, which we consider demonstrates the investment appetite for companies similar to SXG on the TSX and TSXV, as displayed below. We note that TSX and TSXV may have benefited indirectly from the Victorian goldfields, and especially the Fosterville Gold Mine<sup>16</sup>, which is one of the prominent assets in the region (and may have increased investor confidence, potentially resulting in increased confidence and activity within the mining sector).

### June 2024 YTD equity capital raised on the TSX and TSXV by sector



Source: TSX website.

Notably, CDI trading prices may closely reflect the TSXV trading price (after adjusting for foreign exchange rates), given that 1 CDI will be convertible into one Mawson share on the TSXV. Any benefits from greater access to Northern American institutional investors should also be shared by holders of CDIs on the ASX.

### Removal of major shareholder overhang

Mawson is currently the major shareholder in SXG, holding an interest of 40.79% of the issued capital on fully diluted basis (excluding SXG performance rights) and 43.80% on an undiluted basis. The only other SXG shareholder with a holding greater than 5.0% of the total issued shares is Darren Morcombe from the recent acquisition of 100% of the share capital in Sparr Nominees Pty Ltd (“Sparr”), where SXG shares were issued as consideration (further detail on the Sparr acquisition is provided in the ‘other factors’). Post implementation of the Scheme, the major shareholder

<sup>13</sup> S&P Capital.

<sup>14</sup> TSX website. C\$3.9 trillion estimate converted at the Exchange Rate.

<sup>15</sup> The Assay – 2023.

<sup>16</sup> The Fosterville Gold Mine is consistently ranked as one of the most profitable gold mines globally according to Gold Secure. Its owner, Agnico Eagle, is listed on the TSX.

maximum holding of the Merged Group will reduce to c. 10.02%. The Scheme is expected to remove some of the perceived major shareholder overhang of SXG which may have historically adversely affected trading prices given the substantial lack of market contestability of the Company. Major benefits are outlined below:

- Improved contestability is likely to occur following the reduced concentration of ownership, which potential investors may consider attractive if looking to make strategic investments. Prior to the Scheme, if parties were interested in acquiring control of SXG they would be required to agree/discuss with Mawson whereas after implementation of the Scheme, no shareholders will be able to exert significant/major control of the Merged Group.
- The increased shareholder base and reduced shareholding concentration is expected to result in increased liquidity, with the free float increasing from 42.3% before announcement of the Scheme to 92.07% post implementation of the Scheme. We have detailed below the existing liquidity of SXG Shares compared to other Australian exploration companies. As set out in the table below, the free float of SXG is below the average whilst the average volume traded as a percentage of total shares is above the average in comparison to the industry peers<sup>17</sup>.

Liquidity analysis		Free float	Average volume traded as a % of total shares	Average volume traded as a % of free float shares	Cumulative volume traded as a % of total shares	Cumulative volume traded as a % of free float shares
Company	Country	(%)				
Southern Cross Gold Ltd	Australia	42.3%	4.5%	10.7%	58.4%	138.3%
Magnetic Resources NL	Australia	29.0%	0.4%	0.4%	5.8%	19.9%
Antipa Minerals Limited	Australia	75.5%	2.7%	3.5%	35.7%	47.3%
Astral Resources NL	Australia	61.3%	1.7%	2.8%	21.9%	35.7%
Ausgold Limited	Australia	69.0%	2.8%	4.1%	36.5%	52.9%
Horizon Gold Limited	Australia	18.0%	0.2%	1.0%	2.3%	12.9%
Meeka Metals Limited	Australia	64.5%	2.1%	3.3%	28.2%	43.7%
Rox Resources Limited	Australia	59.2%	2.2%	3.7%	30.7%	51.8%
Saturn Metals Limited	Australia	61.7%	1.3%	2.1%	21.7%	35.2%
Kairos Minerals Limited	Australia	76.7%	3.3%	4.3%	41.8%	54.6%
Horizon Minerals Limited	Australia	71.0%	1.4%	2.0%	18.8%	26.5%
Alto Metals Limited	Australia	56.2%	2.6%	4.6%	32.3%	57.4%
Warriedar Resources Limited	Australia	71.8%	1.9%	2.7%	23.9%	33.2%
Black Cat Syndicate Limited	Australia	84.5%	3.6%	4.2%	48.1%	57.0%
Focus Minerals Limited	Australia	31.2%	0.8%	2.6%	10.4%	33.4%
Vista Gold Corp.	United States	81.0%	4.4%	5.4%	56.1%	69.2%
<b>Low</b>		<b>18.0%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>2.3%</b>	<b>12.9%</b>
<b>Average</b>		<b>57.0%</b>	<b>2.1%</b>	<b>3.5%</b>	<b>27.8%</b>	<b>48.0%</b>
<b>Median</b>		<b>61.5%</b>	<b>2.2%</b>	<b>3.4%</b>	<b>29.4%</b>	<b>45.5%</b>
<b>High</b>		<b>76.7%</b>	<b>4.5%</b>	<b>10.7%</b>	<b>58.4%</b>	<b>138.3%</b>

Source: S&P Capital.

Notes: (1) SXG complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of SXG.

### More aligned company structure

<sup>17</sup> Whilst we do not consider there to be any directly comparable company to SXG, we have selected a peer group that are predominantly listed on the ASX which have exploration activities focused on gold and base metals in Australia. This peer group is utilised to provide an approximate indication of the level of liquidity of SXG compared to some comparable operating companies as a benchmark.

The Scheme will result in a more aligned and simplified group structure once implemented as a result of the following:

- A simpler capital structure should result in a more transparent and institutional-investible business providing an improved investor understanding of the underlying assets and the key value drivers. Investors may require an additional return to invest in business with complex and costly capital structure.
- Improved financial flexibility can result in enhanced ability to raise funds quickly and efficiently when required. This is especially beneficial for exploration companies that require funding during periods of strong drilling results / growth opportunities but also due to the typical cash burn profile of exploration companies.

*Additional cash contributed by Mawson to the Merged Group*

If the Scheme is implemented, SXG Non-Associated Shareholders will receive MAW Shares based on the 1 for 1 Share Exchange Ratio and their shareholding in the underlying assets will remain substantially unchanged. Whilst we note that there is no material change in underlying economic interest held by SXG Non-Associated Shareholders, Mawson will contribute to the Merged Group an additional cash balance which is not reflected in the Share Exchange Ratio.

Merged Group Mawson cash injection	Notes	A\$'000	C\$'000
Balances as at 31 May 2024	Reference		
Mawson cash	Note 1	3,729	3,377
Less: Scheme transaction costs	Note 2	(1,400)	(1,270)
Less: Euro Canna cash	Note 3	(662)	(600)
<b>Net Mawson cash</b>		<b>1,667</b>	<b>1,508</b>

Source: Scheme Booklet.

Notes: (1) Scheme transaction costs relate to both Mawson and SXG. This provides a net cash impact compared to circumstances without the Scheme occurring.

We have provided notes to the above table below regarding the net injection of cash from Mawson into the Merged Group.

*Note 1* - The Mawson cash position is presented excluding SXG's cash balance. As of 31 August 2024 Mawson's cash balance is c. A\$3.7 million (C\$3.3 million) and we understand from Management the cash balance (before transaction costs and Euro Canna cash) is not expected to be materially different at Scheme implementation,

*Note 2* - Scheme transaction costs relate to both Mawson and SXG.

*Note 3* – As detailed in section 6.2 of this report, Mawson will transfer C\$600,000 of cash to Mawson shareholders in relation to the Euro Canna transaction.

The net cash injection of Mawson into the Merged Group would be c. A\$1.7 million (c. C\$1.5 million), compared to a scenario if the Scheme was not to occur.

*Well defined legal system*

Upon implementation of the Scheme, SXG Non-Associated Shareholders will become security holders in the Merged Group which will be a British Columbia, Canadian corporation. SXG Non-Associated Shareholders may not be familiar with the Canadian laws and regulations to which the Merged Group will be subject. Whilst the Scheme Booklet provides a detailed overview in section 4.3(b), we note that the Canadian legal regime is well defined in relation to regulatory matters of insolvency and minority shareholder protection which is evidence by the World Bank Ease of Doing Business ranking<sup>18</sup>. With regards to Resolving Insolvency and Protection of Minority Investors Canada ranks 12<sup>th</sup> and 2<sup>nd</sup> compared to Australia ranking 20<sup>th</sup> and 57<sup>th</sup>, respectively.

#### *Retention of the ASX listing and choice of exchange*

SXG Non-Associated Shareholders will have the option of being able to continue trading their shares on the ASX (in Australian Dollars) through CDIs, or to trade their MAW Shares on the TSXV (in Canadian Dollars). Shareholders will be able to convert their CDIs to MAW Shares (and vice versa) at any time after the Scheme is implemented. Nonetheless, SXG Non-Associated Shareholders should be aware that there may be reduced liquidity of CDIs compared with holding shares of the Merged Group.

### **Disadvantages of the Scheme**

#### *Increased costs of SXG associated with maintaining dual-listing*

SXG is currently listed on the ASX only (with annual corporate costs of A\$235,400), however the Merged Group will have dual-listing on the ASX and the TSXV, which is expected to have an annual cost of A\$465,881<sup>19</sup>. Subsequently, there will be additional costs for SXG Non-Associated Shareholders associated with maintaining a share register in both jurisdictions, although the Merged Group should be able to share fungibility across markets.

Common management personnel across SXG and Mawson are familiar with the relevant laws and regulations with respect to TSXV listings, which is where Mawson is currently listed.

#### *Franking credits*

If the Scheme is implemented, Australia-based Shareholders will not be able to benefit from franking credits going forward given that the Merged Group will not be an Australian tax resident. However, Australia-based shareholders may be able to obtain a non-refundable foreign income tax offset for any foreign tax paid and use it to reduce their tax liabilities in the relevant year (subject to certain conditions).

Given the early-stage nature of the Sunday Creek project and the significant capital expenditure required for the development (if approved), the Company is unlikely to pay a dividend until such time that the project begins generating significant cash inflows and profits. Furthermore, any accumulated tax losses that can be used to offset against taxable income will further delay the creation of franking credits. In our opinion, the disadvantage (if any) due to the lack of franking credits is mitigated given

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<sup>18</sup> The Ease of Doing business ranking is a ranking from 1 to 190 compiled by the World Bank having regard to 10 major factors. A high ease of doing business ranking means the regulatory environment is conducive to operating a local firm. Whilst SXG is an established Australian operating company and therefore comparison of the overall ranking is of limited usefulness. We note the most relevant factors are Protection of Minority Investors and Resolving Insolvency.

<sup>19</sup> Public relations and listing costs provided by Management.

that the Company is unlikely to be in a position to pay dividends for the foreseeable future based on the current stage of exploration activities.

*Ineligible overseas shareholders will not be able to receive Merged Group CDIs or Merged Group shares*

Ineligible overseas shareholders will not receive Merged Group CDIs or Merged Group shares under the Scheme. The Merged Group CDIs or shares that would have otherwise been issued to these ineligible overseas shareholders under the Scheme will be issued to a nominee of Mawson to be sold on the TSXV or ASX, with the sale proceeds, after deducting applicable costs and charges, being paid to the ineligible overseas shareholders. More detail on the ineligible overseas shareholders is set out in Section 6.9 of the Scheme Booklet.

## **Other factors**

*Disposal of Mawson's other assets*

As set out in the Scheme Booklet, Mawson is expected to complete the disposal of its interests in 1) Euro Canna on or around the date of implementation of the Scheme; and 2) Skellefteå shortly after implementation of the Scheme. As a result, there are expectations that shortly after implementation of the Scheme the asset base of the Merged Group will mirror that one of SXG. However, we note that the disposal of these assets is not a condition precedent or an obligation under the SIA.

In the circumstances that the Merged Group will continue to hold an interests in one or both of these assets in the medium term, our opinion and approach in relation to the Scheme will not change given that 1) SXG has advised that that the Merged Group will not have any financial obligations in relation to these assets if it continues to hold them; 2) These projects are valued at \$nil in the determination of the Share Exchange Ratio; and 3) If one or both of these projects remain part of the Merged Group passing the short term, SXG Non-Associated Shareholders will share into any potential uplift (above \$nil) from the realisation or exploitation of these projects.

*Sparr Nominees Pty Ltd acquisition*

The Company has recently entered into a share swap agreement to acquire all the shares in Sparr Nominees Pty Ltd. Sparr asset's include:

- Freehold agricultural land valued at c. A\$13.5 million and which is contiguous with SXG's existing tenements, which provides access rights and mining potential on an area that SXG hold exploration tenements and previously had to request permission from the previous freehold owner; and
- A cash balance of c. A\$18.75 million.

The total consideration for the 100% share capital of Sparr was the issuance of 22,088,670 SXG shares, which based on the SXG trading price of A\$3.20 on the signing date of the share swap agreement (4 October 2024) represents a value of c. A\$70.7 million.

We note that all the various shareholdings and interests in SXG before and after the Scheme have been presented after the issuance of the 22,088,670 SXG shares to Sparr.

Separately, SXG is acquiring two freehold residential properties at a cash cost of c. A\$1.9 million, which are houses adjacent to the mineralised trend. Management has confirmed the properties were valued by an independent third party.

#### *Redcastle project acquisition*

The Company has recently acquired the remaining 30% of the Redcastle project for a cash consideration of A\$250,000 (C\$226,700). This includes the acquisition of the royalty terms.

#### *Tax implications*

The taxation implications for SXG Non-Associated Shareholders will depend on whether they hold their shares on capital account, revenue account or as a trading stock. Shares held on revenue account or trading stock are acquired with the intention to resell them at a profit in the short term. Whereas shares held on the capital account are acquired for the purposes of deriving dividend income and long-term value appreciation.

We note it is outside of this report to consider the specific tax implications for individual shareholders. The Scheme Booklet provides specific tax advice for SXG Non-Associated Shareholders who hold their SXG shares on capital account (and are Australian resident shareholders for tax purposes), as summarised in Section 11.1 of the Scheme Booklet.

If the Scheme is implemented, there may be tax consequences for SXG Non-Associated Shareholders which might include tax being payable on any gain on disposal of SXG Shares. However, we note there is potential that capital gains tax roll-over relief applies. The tax treatment is likely to vary depending on the nature and characteristics of each SXG Shareholder and their specific circumstance. Accordingly, SXG Non-Associated Shareholders should seek professional tax advice in relation to their particular circumstances. For further detail about the general Australian tax consequences of the Scheme, refer to section 11 of the Scheme Booklet.

#### *Future shareholder returns and some Merged Group activities may be subject to foreign exchange risk*

Upon implementation of the Scheme, SXG Non-Associated Shareholders may elect to hold shares/CDIs in the Merged Group on the TSXV or the ASX<sup>20</sup>. If SXG Non-Associated Shareholders were to hold shares on the TSXV rather than the ASX via CDIs, this may result in foreign exchange risk and tax implications.

Further, if SXG were to raise funds through the TSXV, any cash proceeds would be obtained in Canadian dollars. As the Company's business activities are primarily in AUD, there may be foreign exchange risk to utilise the funding proceeds for exploration development.

#### *Potential dilutive impact of future capital raisings or acquisitions involving issue of Merged Group shares*

Following implementation of the Scheme, the pro forma current cash balance of the Merged Group is expected to be c. C\$30.8<sup>21</sup> million which is sufficient to support the continuation of exploration activities in the short term. However, we understand from Management that further equity capital

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<sup>20</sup> Merged Group shares or CDIs on the ASX.

<sup>21</sup> Based on the balance sheet data as of 31 May 2024. Please refer to section 6.2.



raising may be required within six months of the Scheme being implemented to continue exploration activities which may cause dilution to SXG Non-Associated Shareholders. However these circumstances are the same in the absence of the Scheme.

### **Overall conclusion**

In our opinion, the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the **BEST INTERESTS** of the SXG Non-Associated Shareholders.

### **Other matters**

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each SXG Shareholder to decide based on their own views of the Scheme and expectations about future market conditions, SXG's performance, risk profile and investment strategy. If SXG Non-Associated Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read "A. De Cian".

ANDREA DE CIAN  
Partner

A handwritten signature in black ink, appearing to read "M. Butterfield".

MARK BUTTERFIELD  
Principal

## Financial Services Guide

### 1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by the Independent SXG Board Committee to provide general financial product advice in the form of an independent expert's report in relation to the Scheme. This report is included in SXG's Scheme Booklet.

### 2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

### 3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

### 4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from SXG a fee of A\$90,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

### 5 Independence

Grant Thornton Corporate Finance is required to be independent of SXG in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.



*“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with ABR (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Takeover.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Takeover, other than the preparation of this report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Takeover. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.*

*Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”*

## **6 Complaints process**

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## **7 Compensation arrangements**

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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## 1 Overview of the Scheme

### 1.1 Other key terms of the Scheme

We have provided detail on the key terms of the Scheme below.

- *Conditions precedent to the Scheme*

The Scheme will not proceed unless all the Scheme conditions are satisfied or waived in accordance with the SIA. We have detailed the conditions below:

- Approval of the Scheme by SXG Non-Associated Shareholders and by the Court.
  - Other regulatory approvals in accordance with the requirements of ASIC, ASX and TSXV.
  - No material adverse changes, and other conditions precedent typical for a transaction of this type.
  - Before Scheme implementation, all SXG options and performance rights in accordance with Clause 4.3 of the SIA have either:
    - a) been exercised in accordance with their terms; or
    - b) entered into an options and rights exchange agreement.
  - Mawson listing on the ASX and fulfilling any customary post-closing conditions.
- *Break Fee* – A break fee of A\$1,000,000 may become payable by SXG to Mawson if the Scheme does not proceed due to:
    - Any Independent SXG Director withdraws or adversely modifies their support of the Scheme or their recommendation that SXG Non-Associated Shareholders vote in favour of the Scheme or makes a public statement that they no longer support the Scheme or that they support a competing proposal.
    - Competing proposal completes during the exclusivity period, SXG or any of its representatives (directly or indirectly) was aware of, or become aware of, or receives an approach in relation to an actual, proposed or potential competing proposal.
    - Mawson is entitled to terminate the SIA if there is a material breach in accordance with Clause 16.1(l) of the SIA.
  - *Others* – The SIA contains customary exclusivity and deal protection provisions including no talk and no due diligence conditions and no shop obligations in the event of a competing proposal.

## 1.2 Mawson's divestment of all assets other than SXG shareholding

Immediately prior to or concurrently with implementation of the Scheme, Mawson will:

- Distribute the uranium project portfolio held via Euro Canna to the SUA Holdings and receive SUA Holdings shares;
- Mawson will also subscribe for 6,000,000 SUA Holdings shares for a consideration of C\$0.6 million cash to provide SUA Holdings with working capital; and
- Subject to approval by Mawson Shareholders by way of a special resolution, Mawson will distribute all SUA Holdings Shares it holds to Mawson Shareholders as a return of capital.

Together, the "Euro Canna Transaction".

As discussed earlier in the executive summary, Mawson will retain Skellefteå until the implementation date, after which it may be disposed so the Merged Group can focus on SXG's current assets. Mawson has attributed no value to this project in the Share Exchange Ratio.

## 1.3 Capital structure changes based on Scheme completion

The SXG Shareholders' economic interest in SXG and the Merged Group remains substantially the same before and after implementation of the Scheme as set out below.

Scheme capital structure summary	Notes Reference	Diluted	Undiluted
<b>SXG existing capital structure:</b>			
SXG Non-Associated Shareholder shares		123,944,364	123,944,364
Mawson shares held		96,590,910	96,590,910
SXG options	<i>Note 1</i>	16,286,333	-
<b>Total SXG diluted shares outstanding</b>		<b>236,821,607</b>	<b>220,535,274</b>
SXG Non-Associated Shareholder proportion of SXG		52.34%	56.20%
Mawson shareholder proportion of SXG		40.79%	43.80%
SXG options		6.88%	0.00%
SXG shares excluding Mawson	<i>Note 2</i>	140,230,697	123,944,364
Share Exchange Ratio		1.0	1.0
SXG shares in the Merged Group		140,230,697	123,944,364
<b>Merged Group shareholding:</b>			
SXG Non-Associated Shareholder shares		123,944,364	123,944,364
SXG options		16,286,333	-
Mawson shareholder shares	<i>Note 3</i>	96,590,910	96,590,910
Mawson options	<i>Note 3</i>	820,336	-
SXG Non-Associated Shareholder proportion	<i>Note 4</i>	52.16%	56.20%
SXG options		6.85%	0.00%
Mawson shareholders proportion		40.65%	43.80%
Mawson options		0.35%	0.00%

Source: Management information; Scheme Booklet.

We have provided notes to the above table below:

Note 1 – SXG has 16,286,333 options on issue with an exercise price ranging between A\$0.30 and A\$1.20. Based on the current SXG trading price of A\$3.52<sup>22</sup> per share, these options are deeply in the money and accordingly we have included them within the total issued shares of SXG. Under the terms of the SID, equivalent instruments in the Merged Group will be issued (at no cost) to the holders of SXG options and performance rights upon implementation of the Scheme (“Options and Rights Exchange Agreement”). These options will exist alongside Mawson Options (discussed below). Further detail on the Options and Rights Exchange Agreement is available in Section 1.2 (c) of the Scheme Booklet. SXG also holds 280,000 performance rights which we understand wont vest for at least another year and we have not included within the total SXG shares.

Note 2 – The diluted SXG shares includes SXG Non-Associated Shareholder Shares of 123,944,364 (including the 22,088,670 shares issued to Sparr) and SXG Options of 16,286,333.

Note 3 – The issued shares of Mawson before implementation of the Scheme is represented by 306,138,320 shares and 2,600,000 Mawson options with an exercise price of C\$0.24 which will be consolidated to 96,590,910 shares and 820,336 options with an exercise price C\$0.76.

<sup>22</sup> Source: Capital IQ on 18 October 2024.

Note 4 – After implementation of the Scheme, SXG Non-Associated Shareholders' interest in SXG and the Merged Group will remain substantially the same.

#### 1.4 Ineligible Overseas Shareholders

Ineligible Overseas Shareholders will not receive Merged Group CDIs or shares under the Scheme. The Merged Group CDIs or shares that would have been issued to these Scheme participants will be issued to a nominee of Mawson to be sold on TSXV and/or ASX. The Ineligible Overseas Shareholders will receive the sale proceeds of these shares, less any applicable costs and charges.

#### 1.5 Dual listing

Upon Scheme implementation, Mawson will be renamed Southern Cross Gold Consolidated Ltd (Merged Group) and will apply for listing on the ASX through admission to quotation of the CDIs (subject to ASX listing and admission processes) under the ticker "SX2". Once the transaction is complete it is expected that the Merged Group will trade on the TSXV and the ASX.

#### 1.6 Directors and Management of the Merged Group

Following implementation of the Scheme, the Board of Mawson will be reconstituted so that it comprises the current members of the SXG Board of directors<sup>23</sup>. An additional director may be drawn from the current Mawson Board of directors. Fundamentally, the management of the Merged Group will mirror the current Management team of the Company, led by Michael Hudson as Managing Director, President and Chief Executive Officer.

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<sup>23</sup> Refer to Section 9.6 of the Scheme Booklet for detail.

## 2 Purpose and scope of the report

### 2.1 Purpose

Section 411 of the Corporations Act, 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion.

Given Mawson's current shareholding in SXG, the Independent SXG Board Committee of SXG have requested that Grant Thornton Corporate Finance prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of SXG Non-Associated Shareholders.

### 2.2 Basis of assessment

In preparing this report, Grant Thornton Corporate Finance has had regard to RG 111 which contains certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" are in the context of a takeover offer.

RG 111 specifies if a transaction does not involve: 1) a change in the underlying economic interests of security holders; or 2) a change of control; or 3) selective treatment of different security holders, then the issue of 'value' may be secondary importance and the expert should subsequently provide an opinion as to whether the advantages of the transaction outweigh the disadvantages.

Taking into account the guidance contained in RG 111 and our discussion of the structure of the Scheme in section 1, we consider that the most appropriate approach to assess whether the Scheme is in the best interests of SXG Non-Associated Shareholders is to consider the advantages and disadvantages of the Scheme.

### 2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Scheme.

## 2.4 Consent and other matters

Our report is to be read in conjunction with the Scheme Booklet dated on or around the date of this report in which this report is included, and is prepared for the exclusive purpose of assisting SXG Non-Associated Shareholders in their consideration of the Scheme. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Scheme Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Scheme on SXG Non-Associated Shareholders as a whole. We have not considered the potential impact of the Scheme on individual SXG Non-Associated Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Scheme on individual shareholders.

The decision of whether or not to approve the Scheme is a matter for each SXG Shareholder based on their views of the advantages and disadvantages of the Scheme. If the SXG Non-Associated Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

## 2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services (“APES 225”) as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

*“An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.”*

### 3 Industry overview

#### 3.1 Overview of the Global Gold Market<sup>24</sup>

Gold is a precious metal used primarily in the fabrication of jewellery, electronics and other industrial applications as well as an investment asset for the store of value and hedging. Gold is actively traded on international commodity markets and experiences daily price fluctuations as determined by global demand and supply factors.

The key drivers affecting gold exploration and production include:

- *Gold prices* – Gold is considered a safe haven asset with prices typically increasing at times of high market volatilities. This has been exacerbated due to rising global tension, resulting from both the Russian invasion of Ukraine and more recently in October 2023, when war broke out between Israel and Hamas<sup>25</sup>. Gold is usually considered a natural hedge against inflation, but it tends to be inversely correlated to Government bond yields, as when they rise the opportunity cost of holding gold increases.
- *Exchange rates* – Gold is usually traded in US dollars and subsequently the relative exchange rates are an important factor affecting the level of global gold trading and demand.
- *Political and regulatory factors* – Gold exploration activities are considered high risk undertakings as there is considerable uncertainty surrounding the commercial viability of such projects. Tenements located in countries with well-defined regulatory systems and a stable political environment are more attractive to gold explorers and producers.
- *Funding requirements* – Given the inherent risks associated with gold mining, the availability and cost of capital to fund such projects can significantly impact the level of gold exploration and production activities being undertaken.
- *Mine/location specific factors* – Each mine location is exposed to unique factors that affect the feasibility of continued exploration and production.

#### *Demand*

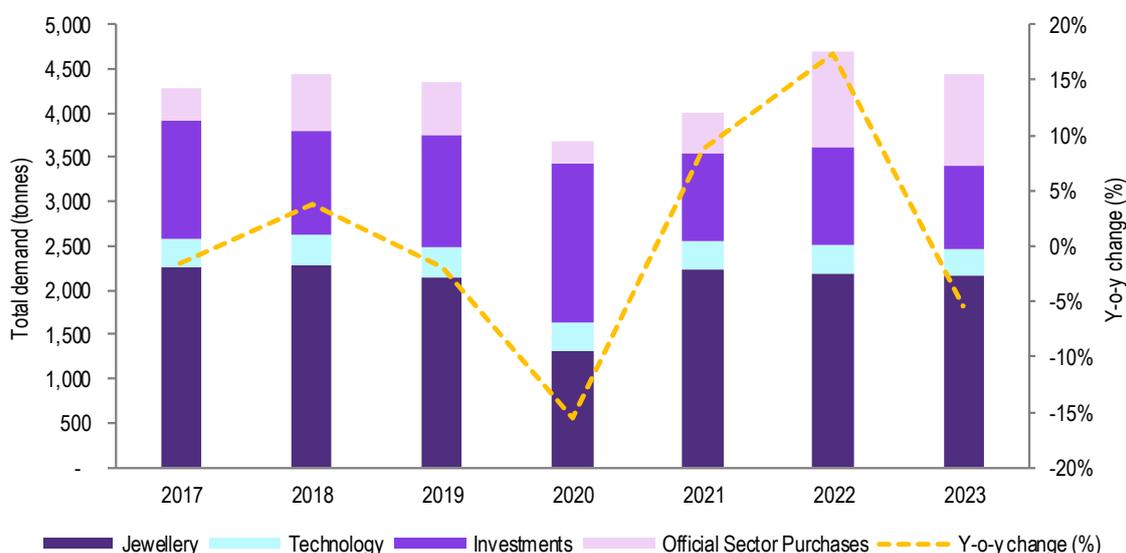
Demand for gold is mainly driven by gold jewellery, global investment trends and market/economic conditions. The graph below illustrates historic gold demand by category:

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<sup>24</sup> Due to the current uranium project portfolio held by Mawson we have provided an overview of the uranium market in Appendix D.

<sup>25</sup> The militant Islamist group that controls Gaza.

### Historical global demand for gold by category (2017 to 2023)



Source: World Gold Council, historical demand and supply as at 31 December 2023.

Notes: (1) Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprises demand for bar and coin, ETF and other similar products.

The demand for jewellery fabrication is highly seasonal as it is linked to Indian and Chinese traditional festivities, noting that China and India are the largest consumers by volume, together accounting for approximately c. 57.0% of global demand for jewellery in 2023<sup>26</sup>. However, in 2020, this demand declined materially due to weak consumer confidence caused by the COVID-19 pandemic, which significantly impacted gold prices.

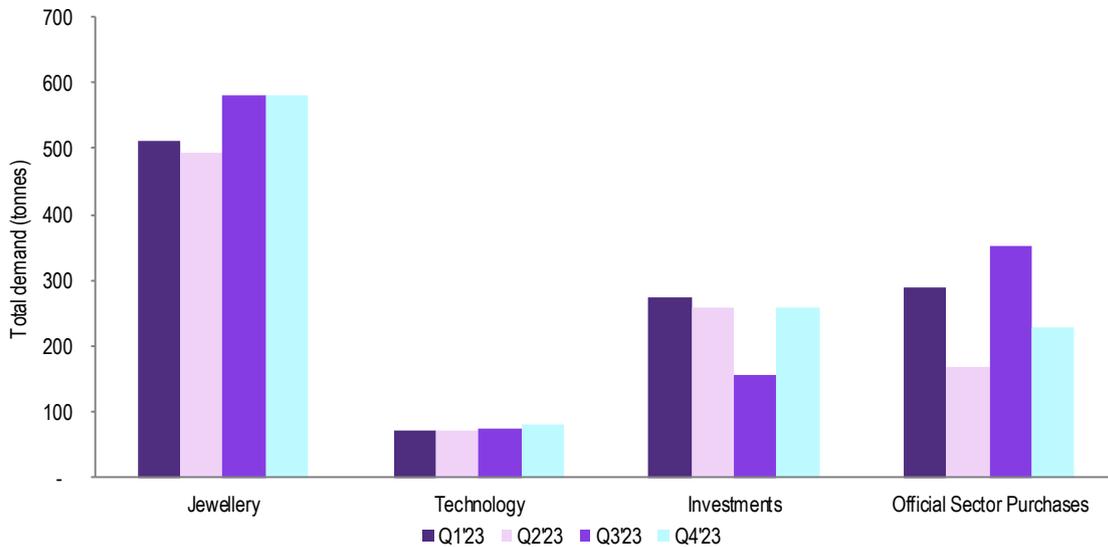
In addition, gold demand is affected by central banks' reserve requirements and more recently from gold backed exchange traded funds ("ETFs") which are relatively new financial instruments that allow investors to receive the benefits of owning physical gold without requiring storage.

Investors generally consider gold as a relatively safe investment asset and the demand for gold has increased over the last year due to volatile market conditions. The latest quarterly data included in the graph below demonstrates the demand for gold official sector purchases driven by heightened central bank demand resulting from economic uncertainty, with elevated debt and liquidity levels. On the flip side, investment demand for bar and coin, as well as ETFs has simultaneously decreased, with global gold ETFs<sup>27</sup> sustaining a seventh consecutive quarter of outflows in Q4'2023. This trend is likely to be driven by the increasing yield offered by alternative investments, including Government bonds, which heighten the opportunity cost of holding gold.

<sup>26</sup> World Gold Council, Gold Demand Trends Full Year 2023.

<sup>27</sup> Which are publicly listed investment funds that may hold gold.

### Historical global demand for gold (Q1'2023 to Q4'2023)



Source: World Gold Council, historical demand and supply as at 31 December 2023.

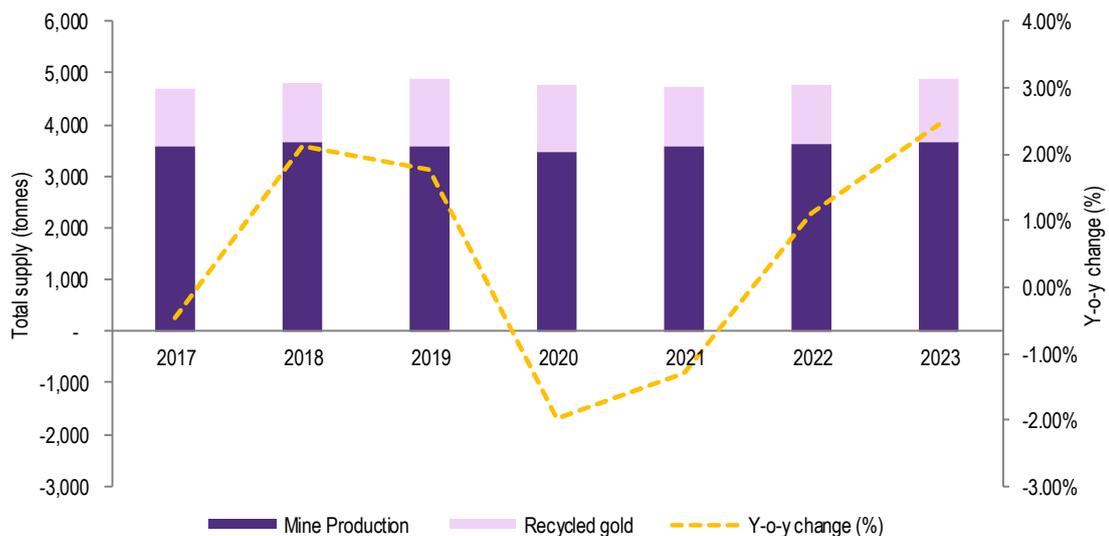
Notes: (1) Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprises demand for bar and coin, ETF and other similar products.

Increasing interest in gold as an investment asset has also led to an increase in the variety of gold investment products, such as gold ETFs, which are publicly listed investment funds that may hold gold, gold derivatives, or otherwise be exposed to the gold industry, as their primary investment strategy.

### Supply

The supply of gold is mainly sourced from mine production and the recycling of scrap gold. The graph below illustrates historical gold supply by category:

### Historical gold supply by category (2017 to 2023)



Source: World Gold Council, historical demand and supply as at 31 December 2023.

Notes: (1) Mine production is net of any hedging effect undertaken by the gold producers.

Gold supply has remained relatively flat over the last seven years, in contrast to the demand profile, which experienced a slight decline in 2020 before ramping up during 2022 amidst fears of a global recession due

to rising inflation rates globally. In 2020 and 2021, supply of gold declined by 1.1% and 1.7% from the previous year respectively, primarily due to COVID-19 related disruptions to mining production. In 2022, gold supply increased by 1.4% from the previous year as the mining industry largely remained uninterrupted by COVID-19 restrictions and during 2023 major production disruptions were absent resulting in strong supply growth of 3.1% against the previous period, marginally below 2018's record high supply.

The top 10 countries for mine production of gold in 2022 are set out below:

### Top 10 gold producers by country in 2022

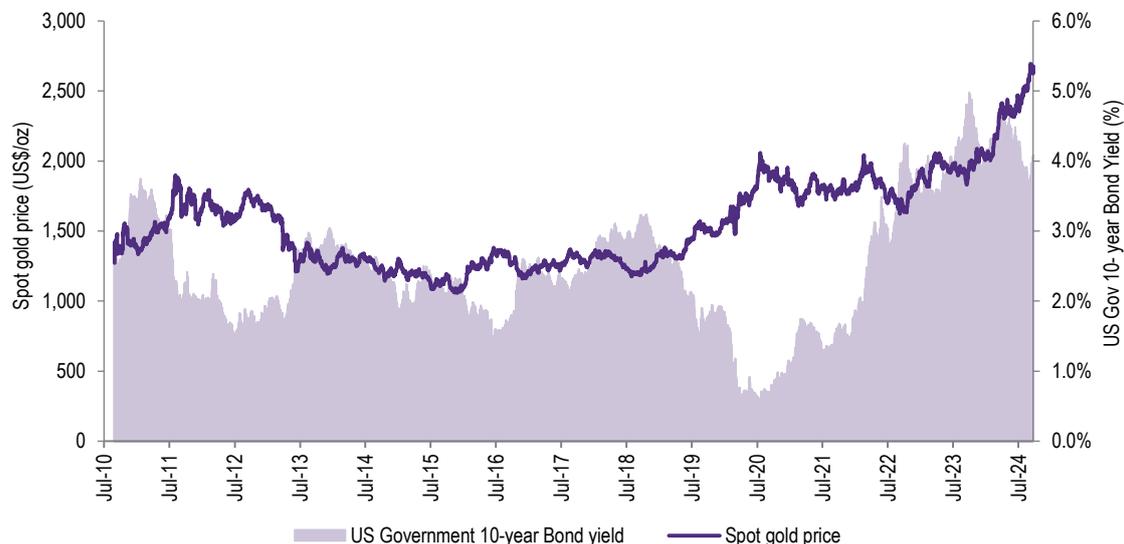


Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2023.

### Gold price and outlook

Set out below is the daily historical spot price of gold (nominal) between July 2010 and August 2024 compared with the 10-year US Government Bond yield:

## Historical gold price & 10-year US Government Bond



Sources: S&P Capital IQ; GTCF analysis.

Since the global financial crisis, asset prices have been supported by an unprecedented level of fiscal stimulus which has resulted in a steep decline in bond yields and returns required which, as outlined in the graph above, are inversely correlated with gold prices, to a large extent.

The price of gold increased from a low of US\$1,052/oz in February 2010 to a high of US\$2,058/oz in August 2020, due to the uncertainty in the global economy driven by the outbreak of COVID-19. Following Russia's invasion of Ukraine in late February 2022, an increase in the prices for oil, gas, wheat and other commodities triggered a considerable rise in inflation expectations which have, in turn, supported gold prices, which is considered a natural hedge against inflation. However, towards the end of 2022, bond yields reached an eight-year peak after the Federal Reserve continued to increase interest rates in an attempt to slow inflationary pressures. Whilst gold prices reduced to US\$1,629/oz in November 2022, due to rising bond yields and the strengthening of the US dollar, it recovered to US\$2,048/oz in April 2023 amidst fears of a banking crisis in the United States after the collapse of Silicon Valley Bank and the arranged takeover of Credit Suisse Group AG by UBS Group.

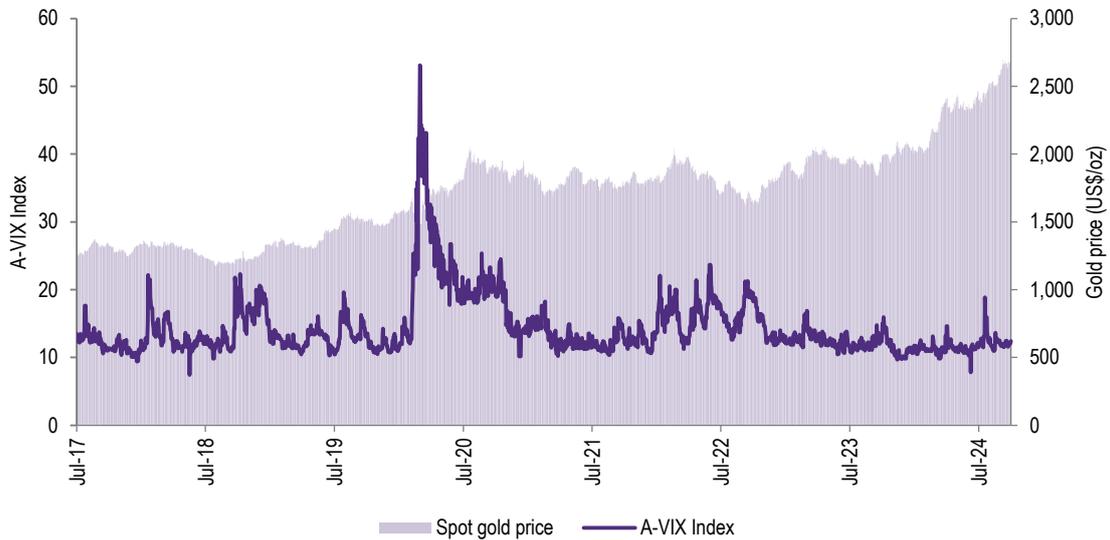
At the start of October 2023, war broke out between Israel and Hamas, which has led to investors seeking financial safe haven amid intensifying conflict, which was contributing to international uncertainty. Consequently, the price of gold increased over October 2023 and as at 12 November 2023, the spot price of gold was US\$1,938/oz. During 2024 there have been continued increases in gold prices, reaching record highs and currently at US\$2,676/oz<sup>28</sup> which can be partially attributable to the central banks purchasing gold worldwide and the continued global economic and geopolitical uncertainties.

Along with movements in bond yields and inflation, overall market volatility has also been a key factor influencing gold prices. We have set out below the nominal gold price and the S&P/ASX 200 VIX Index ("A-VIX")<sup>29</sup>:

<sup>28</sup> Source: S&P Capital as at 18 October 2024.

<sup>29</sup> The S&P / ASX 200 VIX Index is a real-time volatility index that provides investors, financial media, research and economists an insight into investor sentiment and expected levels of market volatility.

### Historical gold price and A-VIX Index

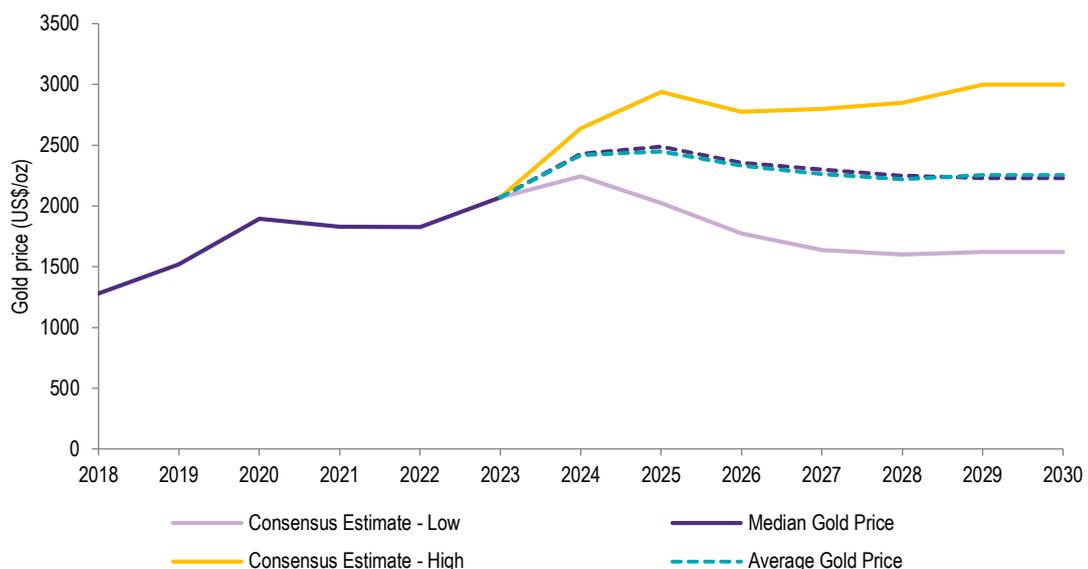


Source: S&P Global.

As observed in the graph above, the gold price movements are broadly aligned with the movements in the A-VIX Index. The emergence of cryptocurrency and alternative asset classes are likely to challenge gold's position as a safe haven asset class. However, cryptocurrency has also experienced significant volatility and continues to face regulatory challenges in various countries.

The following chart sets out a summary of historical and forecast prices of gold:

### Historical and forecast gold prices



Source: Consensus Economics forecasts.

Over the last five years, gold prices have consistently increased as investors have sought to reduce risk amid rising uncertainty in global equity markets. There have been a number of large market shocks, such

as the Brexit vote in 2016, the Black Monday sell-off of Chinese equities in 2017, trade tensions between the US and China, continued geopolitical tensions in the Middle East and Indo-Pacific regions, and more recently the COVID-19 pandemic, the Ukraine-Russia and Israel-Hamas conflicts have all driven gold prices higher in the historical period due to investors allocating greater capital towards safe monetary assets. The average and median consensus for gold price anticipates a long-term nominal price around US\$2,221/oz and US\$2,258/oz, respectively.

#### *Gold mining in Australia*

Gold mining is a well-established industry in Australia. Production volumes have grown over the past decade to c. A\$27.9 billion in 2023 from A\$16.5 billion in 2013<sup>30</sup>. Australia is the world's second-largest gold producing country, with c. 9% of global production in 2021 and is estimated to have the world's largest gold economic resources, with 11,980 tonnes (c. 22%) of total global economic demonstrated resources<sup>31</sup>. All resources occur in primary deposits, many of which have undergone some degree of weathering<sup>32</sup> and only c. 0.3% of the resources are considered unavailable. However, most of the gold currently mined in Australia is very fine grained and mostly with concentration of less than 5g/t of rock mined. Accordingly, the feasibility of mining these low concentration of gold resources largely depends on the underlying gold prices.

Historically, Australia has exported c. 90% of the annual production, with recent gold exports rising by 52% year-on-year to c. A\$7.5 billion in the December 2023 quarter. This was largely driven by a 36% increase in export volumes and a higher gold price. Australia's gold exports rose by 21% year-on-year to c. A\$28 billion in 2023. Global financial hubs including the United States, United Kingdom, Switzerland, Hong Kong, and Singapore collectively purchased A\$16 billion worth of gold in 2023 leading to a 39% year-on-year increase in exports in these regions, whilst gold exports to China fell 11% year-on-year. The Australian gold resources are significantly concentrated in WA, which accounts for c. 46% of Australia's gold economic demonstrated resources<sup>33</sup>. As a result, WA has historically accounted for c. 70% of the annual production in a given year.

For the last seven years, gold has attracted the most mineral exploration expenditure in Australia, overtaking iron ore and accounting for c. 40% of Australia's mineral exploration expenditures. Since the outbreak of COVID-19, gold exploration expenditure in Australia has increased significantly from c. A\$272.3 million in the March 2020 quarter to c. A\$330.3 million in the December 2023 quarter with a peak of c. A\$421.7 million in the June 2022 quarter, of which is in line with the movements of gold prices. The graph below summarises the Australian gold exploration expenditure over the past 10 years.

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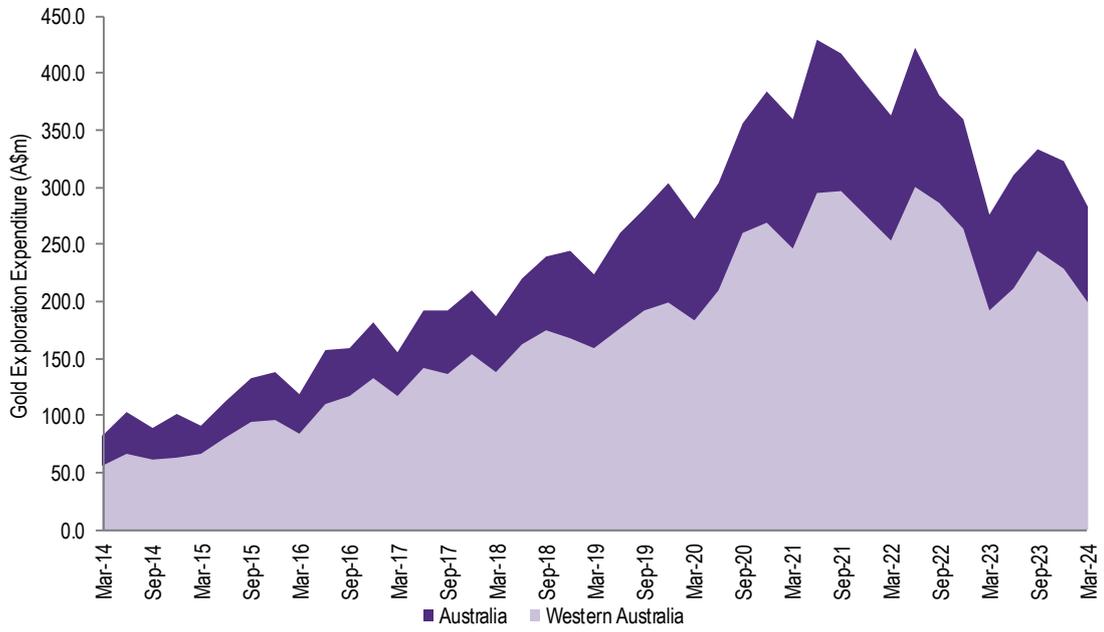
<sup>30</sup> IBISWorld, Gold Ore Mining in Australia, November 2023.

<sup>31</sup> Australian Government, as at 31 Dec 2021.

<sup>32</sup> Weathered primary deposits are important to the gold industry because they are usually easier and cheaper to mine and the gold is easier to recover.

<sup>33</sup> Australian Government, as at 31 Dec 2020.

### Australian gold exploration expenditure



Sources: ABS Mineral and Petroleum Exploration; GTFC Analysis.

## 4 Profile of SXG

### 4.1 Company Overview

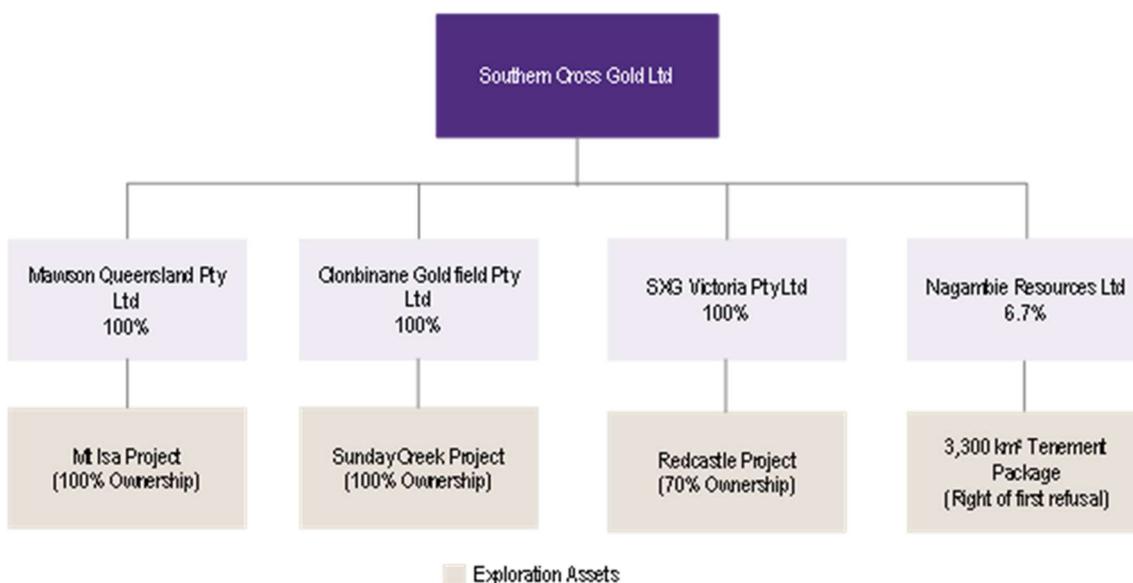
SXG is an ASX listed gold exploration company which is currently exploring for epizonal gold in the Victorian goldfields.

SXG's flagship asset is the 100% ownership of Sunday Creek which is an advanced exploration project with 120 drillholes (up to May 2024) and multiple strong drill intersections identified within new exploration discoveries. The company recently announced a maiden gold and antimony exploration target which has been developed to demonstrate the scale and high-grade potential of the Sunday Creek Project. Initial test work on two drill holes from the exploration target area have been completed and the Company has plans to continue to expand the multi-million-ounce potential and high-grade tenor of the Sunday Creek Project. The Company also holds the following other exploration assets below:

- Redcastle Project – Victoria – 100% ownership via SXG Victoria (remaining 30.0% interest recently acquired for A\$250,000)
- Mt Isa Project – 100% ownership via Mawson Queensland
- Right of first refusal over large 3,000 km<sup>2</sup> tenement package – via 6.7% shareholding in Nagambie Resources Ltd

We provide an overview of the SXG Corporate Structure below:

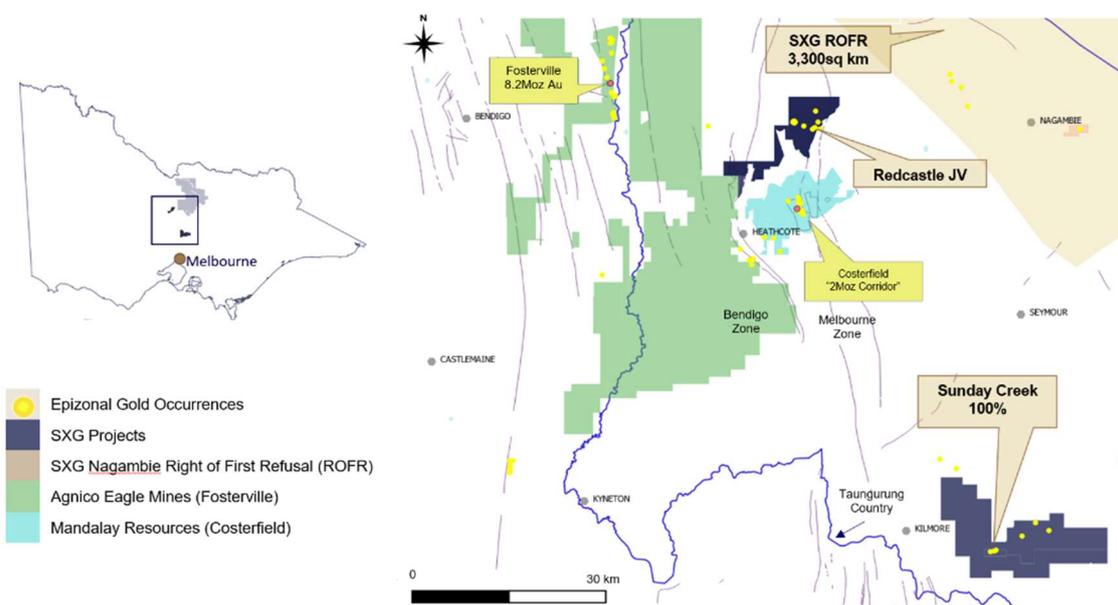
### SXG Corporate Structure



Source: SXG website.

Notes: (1) In SXG's June 2024 quarterly results they announced that SXG had informed Nagambie they will not proceed with their earn in on the Whroo Option and Joint Venture Agreement due to their focus on the Sunday Creek Project. The right of first refusal remains. (2) SXG recently acquired the remaining 30% of the Redcastle project for A\$250,000.

We have set out below SXG's key exploration projects in Victoria below:



Source: SXG website.

#### 4.2 Sunday Creek Project (100% owned)

The project is a shallow epizonal deposit, which the Company has both granted exploration licences and one granted retention licence. SXG own 133.29 ha of freehold land at Sunday Creek that form the key portion in and around the main drilled area at the project. Epizonal deposits in Victoria often also have associated high levels of the critical metal, antimony, which has been discovered at Sunday Creek.

Up to 31 May 2024, a total of 120 drillholes for 52,435m have been reported at the main Sunday Creek area along the 1,200 m strike between Golden Dyke and Apollo<sup>34</sup>. Hit rates are globally leading with 47 individual intersections exceeding 50 AuEQ g/t x m and 38 individual intersections exceeding 100 AuEq g/tx m reported at the property. In the quarter to 31 August 2024, SXG reported eleven drill holes, with the deepest holes drilled across the project and new discoveries made below the most prolific historic mine on the field, Golden Dyke.

In January 2024, the Company released the maiden gold and antimony exploration target at the Sunday Creek Project covering approximately 50% of the known strike of the main drill area and encompasses the Rising Sun and Apollo areas<sup>35</sup>. The estimated range of potential mineralisation for the exploration target has been summarised below and demonstrates the scale and high-grade potential suggested by the successful drilling program undertaken at Sunday Creek in the year prior to the announcement.

Sunday Creek exploration target							
Range	Tonnes (Mt)	AuEQ g/t	Au g/t	Sb %	Au EQ (Moz)	Au (MoZ)	Sb (kt)
Lower Case	4.4	7.2	5.3	1.2%	1.0	1	53.5
Upper Case	5.1	9.7	7.8	1.2%	1.6	1	62.8

Source: SXG website

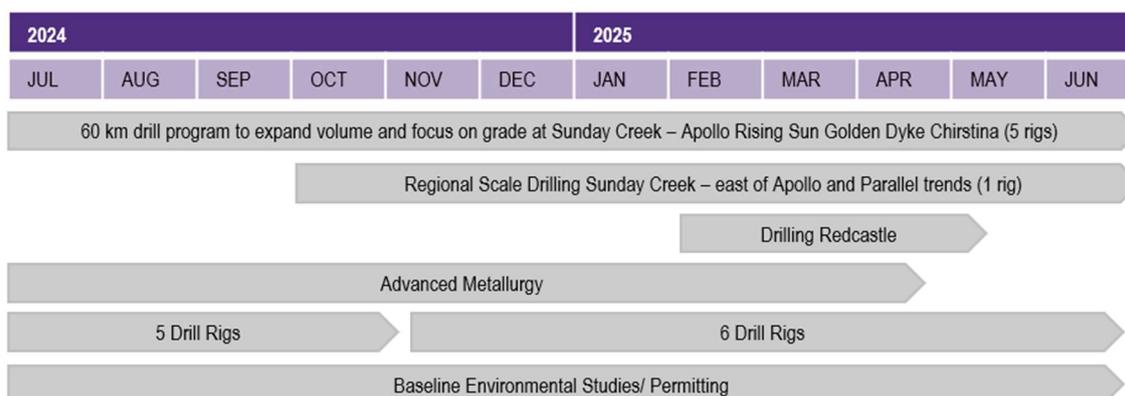
<sup>34</sup> Only the Rising Sun and Apollo areas were considered for the exploration target as they contain sufficient drilling to suggest continuity and infer grade ranges.

<sup>35</sup> This target area represents <10% of the 11km strike of the dyke host across the project.

Notes: (1) Exploration target has been prepared and reported in accordance with the 2012 edition of the JORC Code. (2) The potential quantity and grade of the exploration target is conceptual in nature and therefore is an approximation. (3) For the high-end of the range domains the Rising Sun (vs Apollo) contributes to 64% of the tonnes and 80% of the contained ounces.

In January 2024, the Company also completed its initial metallurgical test program conducted on two drill holes from Sunday Creek, which was successful in outlining a robust flow sheet for Sunday Creek. This resulted in high recoveries of both gold and antimony into products that are anticipated to be readily sealable, with strong results for both gold and antimony values. The Company has conducted subsequent drilling and has plans for further investigations and test work to optimise metallurgical response and enhance understanding of the mineral types.

As the Company continues to deliver wide and high-grade mineralisation at Sunday Creek, the Company plans to increase the number of drill rigs to further expand their exploration activities. The Company's drilling plan has three clear objectives that will have the largest impact on operational activities over the next six months, to demonstrate grade, volume and scale. We have provided an overview of SXG's exploration program for Sunday Creek below:



Source: SXG Investor Presentation 2024

### 4.3 Other Victorian exploration projects

#### *RedCastle Project (100% owned)*

The Redcastle project is located in Victoria, 120km north of Melbourne and was discovered in 1859. The Redcastle project is a shallow epizonal historic high-grade field held within a tenure area of 56.7 km and for which comprises four granted exploration licenses. The Company via the wholly owned subsidiary, Mawson Victoria, holds a 100% interest in the Redcastle Project. The 30% interest previously held by joint venture partner, Nagambie, was recently acquired for A\$250,000 (C\$226,700).

Redcastle is located 2km along the strike from Mandalay Resources Ltd's Costerfield mine exploration tenements and 24km east to Agnico Eagle's Fosterville mine, which are two of the world's highest-grade goldmines. The projects proximity to the operating Costerfield mine gives the project accessibility to appropriate infrastructure to advance the project should the Company develop beyond exploration. The Redcastle project is one of the most significant historic epizonal high-grade gold fields in Victoria.

The exploration strategy of the Company at Redcastle has focused on searching for high-grade epizonal gold at depth beneath historic mines, using historical mining and exploration data from 1985 and transition the data into a 3D model and applying large scale and remote methods to identify mineral systems below

50 meters depth, followed by oriented diamond drilling to test targets. There are 16 drill holes for 2,786.9 meters across a total of eight prospects at Redcastle.

#### *Whroo Project*

SXG held an Option and Joint Venture Agreement with Nagambie for the Whroo Joint Venture tenements. In providing agreed funding of A\$2.5 million for exploration commitments and A\$0.25 million cash payments over a 4 year period, SXG would hold a 60% economic interest in those tenements. However, in SXG's June 2024 quarterly results they announced that SXG had informed Nagambie they will not proceed with their earn in on the Whroo Option and Joint Venture Agreement due to their focus on the Sunday Creek Project. SXG will retain a right of first refusal to take up or match proposals being considered over the Waranga Basin tenement package held by Nagambie (which includes the Namgambie Gold mine and Whroo area).

#### 4.4 Queensland exploration projects

The Company, via its wholly owned subsidiary Mawson Queensland, holds a 100% interest in the Mt Isa project. SXG holds six exploration prospecting licences for 458km<sup>2</sup> of granted exploration licences in the Cloncurry district of Mt Isa, over a combined 60 km of strike. Below is a map of the Mt Isa exploration project.

The Company is exploring for large deposits in the Eastern Succession of the Mount Isa Block. The area, estimated to have a thickness of 250m to 400m, is entirely under cover<sup>36</sup> and is virtually unexplored. In 2019, the Company completed a 1km<sup>2</sup> ground based gravity over its entire Mount Isa SE tenements. In 2020, Mawson Queensland received \$200,000 funding for a drill program under the Queensland Government's collaborative exploration initiative.

Mawson Queensland has subsequently completed its first and only drill hole to 849.7m with basement rocks intersected at 318m. The lower part of the drill hole below 750m contains the majority of the Company's sulphides interest. The increase in copper and associate elements are lower in the drill hole and there have been signs of potential further development of further mineralisation in the area.

#### 4.5 Financial information

##### 4.5.1 Financial performance

The consolidated statements of financial performance of SXG for the three financial years ended 31 May 2022 and 31 May 2023 and 31 May 2024 are set out in the table below:

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<sup>36</sup> Beneath a cover of sediments, soil or other rock formations.

Consolidated statements of financial performance	FY22	FY23	FY24
A\$	Audited	Audited	Audited
<b>Revenue</b>	<b>16</b>	<b>164</b>	<b>359</b>
<b>Expenses:</b>			
Employee benefits expense	(297,366)	(1,419,419)	(3,737,094)
Depreciation and amortisation expense	(23,485)	(69,702)	(176,120)
Administration and corporate costs	(709,148)	(846,395)	(1,373,991)
Decrease in fair value of investment in Nagambie Resources Limited	(803,964)	(574,404)	(1,600,831)
Impairment of exploration and evaluation assets	-	(1,041,408)	(1,057,506)
Finance costs	-	(4,171)	(12,948)
<b>Total expenses</b>	<b>(1,833,963)</b>	<b>(3,955,499)</b>	<b>(7,958,490)</b>
<b>Loss before income tax expense</b>	<b>(1,833,947)</b>	<b>(3,955,335)</b>	<b>(7,958,131)</b>
Income tax expense	-	-	-
<b>Total comprehensive loss</b>	<b>(1,833,947)</b>	<b>(3,955,335)</b>	<b>(7,958,131)</b>

Source: SXG financial reports.

Notes: FY22 accounts are for the period from 21 July 2021 to 31 May 2022, when SXG was incorporated.

We make the following observations:

- SXG does not generate any revenue from operating activities. The income recognised to date primarily consists of interest income.
- SXG's main expense during FY23 and FY24 relates to employee benefits expense, which includes share-based payments. We note in particular in FY24 share based payments recognised through employee benefits expense of A\$2.6 million.
- Administration and corporate costs include professional service fees, and marketing and public relation costs.
- During FY23 SXG incurred an impairment charge on their exploration and evaluation assets of c. A\$1.0 million as a result of Mawson Queensland Pty Ltd (a subsidiary of SXG), surrendering a tenement located at Mount Isa in October 2022, requiring the directors to test capitalised costs to this tenement area for impairment. Substantive expenditure on further exploration in the area is not planned whilst it progresses exploration at Sunday creek, and as a result the directors recorded an impairment charge. Additionally, in FY24 SXG incurred an impairment charge of c. A\$1.1 million resulting from a decision to not renew tenements at the Whroo joint venture, resulting in the immediate impairment and disposal of exploration and evaluations costs capitalised at this site.

#### 4.5.2 Financial position

The consolidated statements of financial position for SXG for the three financial years ended 31 May 2022 and 31 May 2023 and 31 May 2024 are set out in the table below:

Consolidated statements of financial position	31/05/2022	31/05/2023	31/05/2024
A\$	Audited	Audited	Audited
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7,946,407	15,186,850	13,361,709
GST receivable	68,749	185,745	235,537
Other assets and prepaid expenses	2,950	1,554	2,323
<b>Total current assets</b>	<b>8,018,106</b>	<b>15,374,149</b>	<b>13,599,569</b>
<b>Non-current assets</b>			
Property, plant and equipment	2,045,663	2,307,813	3,576,028
Exploration and evaluation	7,456,722	12,658,099	22,368,554
Investment in Nagambie Resources Limited	2,566,069	2,134,442	533,611
Right-of-use assets	-	237,308	222,648
Bonds and security deposits	26,956	46,370	50,664
<b>Total non-current assets</b>	<b>12,095,410</b>	<b>17,384,032</b>	<b>26,751,505</b>
<b>Total Assets</b>	<b>20,113,516</b>	<b>32,758,181</b>	<b>40,351,074</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	426,082	1,338,810	1,238,637
Lease liabilities	-	60,067	109,945
Employee benefits	-	-	68,866
Unissued share capital	-	-	41,250
<b>Total current liabilities</b>	<b>426,082</b>	<b>1,398,877</b>	<b>1,458,698</b>
<b>Non-current liabilities</b>			
Lease liabilities	-	179,652	113,674
Employee benefits	-	-	10,834
<b>Total non-current liabilities</b>	<b>-</b>	<b>179,652</b>	<b>124,508</b>
<b>Total liabilities</b>	<b>426,082</b>	<b>1,578,529</b>	<b>1,583,206</b>
<b>Net Assets</b>	<b>19,687,434</b>	<b>31,179,652</b>	<b>38,767,868</b>
<b>Equity</b>			
Issued capital	20,729,110	34,405,566	47,803,944
Reserves	792,271	2,563,368	4,711,337
Accumulated losses	(1,833,947)	(5,789,282)	(13,747,413)
<b>Total equity</b>	<b>19,687,434</b>	<b>31,179,652</b>	<b>38,767,868</b>

Source: SXG financial reports.

We note the following in relation to SXG's financial position:

- Cash and cash equivalents have decreased from A\$15.2 million as at 31 May 2023 to A\$13.4 million as at 31 May 2024, after the Company raised A\$10.2 million from the issuance of new shares during FY24 and as a result they continued progressing exploration activities primarily at Sunday Creek, resulting in exploration and evaluation assets increasing from A\$12.7 million as at 31 May 2023 to A\$22.4 million as at 31 May 2024. During FY24 we note there were also some small acquisitions including:
  - A prospecting licence for c. A\$0.3 million located in the Redcastle district of the Victorian goldfields.

- The acquisition of freehold land adjacent to both the main access and current freehold ownership to the Sunday creek project for A\$ 0.4 million in H1FY24.
- Clonbinane Goldfield Pty Ltd, a wholly owned subsidiary of the Company, entered into a contract to purchase a property for total consideration of A\$850,000 (excluding stamp duty and legal costs).
- The Company had a closing cash balance of A\$10.6 million as of 31 August 2024. Average forecast monthly expenditure of the next three months is A\$900k which 80% relates to exploration activities, whilst cash receipts of A\$325k are expected from the exercise of options on issue every month over this period.

#### 4.5.3 Cash flows

The consolidated statements of cash flows for SXG for the three financial years ended 31 May 2022, 31 May 2023 and 31 May 2024 are set out in the table below:

Consolidated statements of cash flows	FY22	FY23	FY24
A\$	Audited	Audited	Audited
<b>Cash flows from operating activities</b>			
Payments to suppliers, employees and taxation authorities	(432,499)	(2,044,443)	(2,375,352)
Interest received	16	164	-
Payments for interest associated with lease liabilities	-	(4,171)	(12,948)
<b>Net operating cash flows</b>	<b>(432,483)</b>	<b>(2,048,450)</b>	<b>(2,388,300)</b>
<b>Cash flows from investing activities</b>			
Payments to property, plant and equipment	(1,977,466)	(310,278)	(1,352,314)
Payments for exploration and evaluation costs	(1,963,369)	(5,216,669)	(10,934,261)
Payments for shares in listed entity	(70,033)	(142,777)	-
Payments for bonds and security deposits	-	-	(3,935)
Proceeds from the acquisition of subsidiaries (including cash provided)	543,749	-	-
Receipts from bonds and security deposits	26,095	(19,414)	-
<b>Net investing cash flows</b>	<b>(3,441,024)</b>	<b>(5,689,138)</b>	<b>(12,290,510)</b>
<b>Cash flows from financing activities</b>			
Proceeds for shares not issued	-	37,706	41,250
Payments for shares not issued	-	(37,706)	-
Proceeds from issue of shares to directors	-	-	110,000
Proceeds from issue of shares	11,817,924	15,889,998	10,235,025
Proceeds from conversion of options	-	62,000	330,000
Proceeds from borrowings with related parties	999,891	-	-
Proceed from exercise of options by brokers	-	-	2,340,975
Payments for the cost of issuing share capital	(633,081)	(954,804)	(110,120)
Repayment of borrowings with related parties	(364,820)	-	-
Repayment of principal component of lease liabilities	-	(19,163)	(93,461)
<b>Net financing cash flows</b>	<b>11,819,914</b>	<b>14,978,031</b>	<b>12,853,669</b>
<b>Net increase/(decrease) in cash</b>	<b>7,946,407</b>	<b>7,240,443</b>	<b>(1,825,141)</b>
Cash at beginning of financial year	-	7,946,407	15,186,850
<b>Cash at end of financial year</b>	<b>7,946,407</b>	<b>15,186,850</b>	<b>13,361,709</b>

Source: SXG financial reports.

We note the following in relation to the table above:

- Payments relating to exploration and evaluation is the main operating cash flow expense of SXG.
- Payments for property, plant and equipment includes payments for the acquisition 0.65 ha freehold land for A\$0.4 million within the 100% owned Sunday Creek epizonal-style gold project located 60km North of Melbourne in FY23.
- We have detailed key issued capital events below:
  - SXG's IPO raised A\$9.1 million via the issue of 45,466,500 shares at A\$0.20 each, with ASX quotation on 5 May 2022.
  - In November 2022, the company received commitments from institutional and sophisticated investors to raise \$13.9 million (before costs) at A\$0.58 per new share. As a result, the Company

issued 23.9 million new shares. 3.0 million options over fully paid ordinary shares (with an exercise price of A\$0.86 per option expiring three years from the date of the capital raise) were issued to the lead manager.

- In December 2022, an employee of the company, who is not considered key management personnel, exercised 166,667 options over fully paid shares at an exercise price of A\$0.30 in exchange for consideration of A\$50,000.
- Also in December 2022, SXG issued a further 3.4 million fully paid ordinary shares at a price of A\$0.58 per share, raising A\$2.0 million.
- On 21 July 2023, following shareholder approval, SXG issued 189,658 fully paid ordinary shares with an issue price of A\$0.58 to directors of SXG.
- On 15 August 2023, SXG issued 2,000,000 unlisted options to employees of SXG, with an exercise price of A\$0.66 per option on or before 15 August 2026.
- During the quarter ending 31 May 2024, SXG announced the results of its one fully paid ordinary share for every thirty-three fully paid ordinary shares non-renounceable rights issue at a price of A\$1.82 per new share. The issue raised c. A\$9.3 million.

#### 4.6 Share capital structure

As at the date of this Report, SXG's capital structure comprised of the following securities:

SXG Capital Structure	<i>Notes Reference</i>	
Shares on issue	<i>Note 1</i>	220,535,274
Options	<i>Note 2</i>	16,286,333
Performance rights	<i>Note 3</i>	280,000

Sources: Scheme Booklet.

Further to the detail provided within Section 1 of this IER, we have provided below notes to the above table:

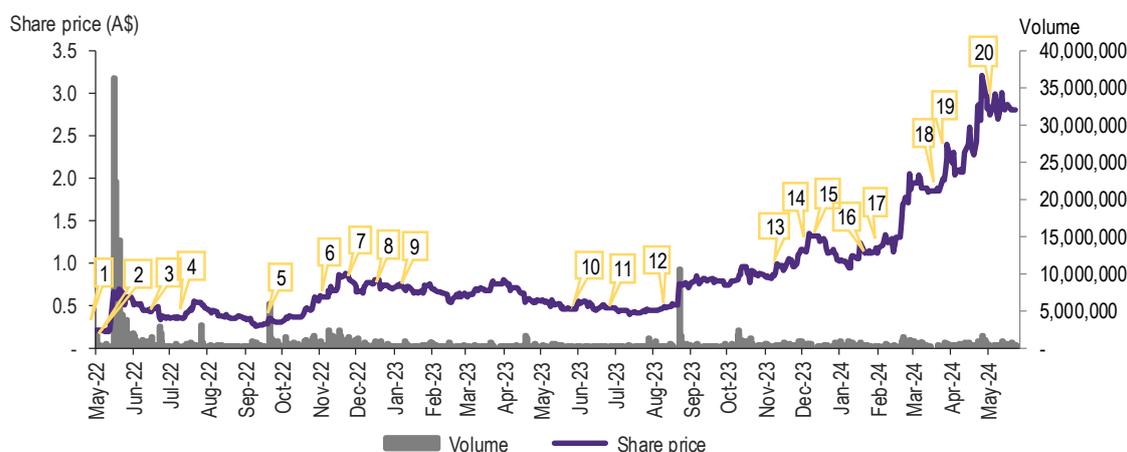
*Note 1* – The current SXG shares on issue of 220,535,274, which includes the 22,088,670 shares issued to Sparr.

*Note 2* – The current unissued ordinary shares of SXG under option of 16,286,333 at the date of this report, which include an exercise price of between A\$0.30 to A\$1.20 per share. The options have expiry dates from 5 May 2025 to 5 May 2027. All of the options are deep in the money.

*Note 3* – The performance rights of 280,000 will not vest for at least another year.

Our analysis of the daily movements in SXG's share price and volumes for the period from March 2022 is set out below:

### Historical share trading prices and volume of SXG from ASX listing (May 2022)



Sources: S&P Global; GTCF analysis.

The following table illustrates the key events from May 2022 to June 2024, which may have impacted the share price and volume movements shown above.

Event	Date	Comment
1	16 May 2022	SXG released their Initial Public Offering prospectus and announced it would commence trading on the ASX after closing its \$9.093 million Initial Public Offering.
2	23 May 2022	SXG announced high-grade (multiple > 15g/t Au intersections up to 81.2 g/t Au and 3.4% Sb) and wide zones (broad zones over 30m) of gold and antimony mineralisation in assay results returned from six diamond drill holes drilled during the IPO process at the Sunday Creek project in the Victorian Goldfields.
3	30 June 2022	SXG released May 2022 quarterly activities report, detailing the following highlights: <ul style="list-style-type: none"> <li>- A wide intersection of gold-antimony mineralisation at Sunday Creek Project grading 119.2 m @ 3.9 g/t AUEQ.</li> <li>- 17.3 m @ 3.9 g/t Au and 0.6% Sb (4.9 g/t AuEq) from 214.4 m in hole SDDSC031</li> <li>- Purchase of 132.64 hectares of freehold land at the Sunday Creek Project</li> <li>- Second drill rig secured for Sunday Creek subsequent to quarter's end</li> <li>- Successful spin-out and listing of SXG on the Australian Securities Exchange -16 May 2022</li> <li>- \$9.1 m capital raised at IPO at \$0.20 per share</li> </ul>
4	6 July 2022	SXG announced the discovery of further high-grade gold results from three drill holes, drilled to test the near surface and lateral extensions of the Apollo structure at the 100% owned gold-antimony Sunday Creek Project in Victoria. High-grade gold-antimony structures were intersected in all holes.
5	4 October 2022	SXG announced highest grade intersection of gold-antimony mineralisation at the 100%-owned Sunday Creek project in Victoria. Drillholes SDDSC046 graded 21.5 m @ 15.0 g/t AuEq from 183.6m, including 2.1 m @ 121.6 gt/AuEq with abundant visible gold and Assays. This was significant as it demonstrated the highest grades of gold seen on the project to date.
6	28 November 2022	SXG announced the issue of placement shares. The Company issued 23,948,272 fully paid ordinary shares with an issue price of \$0.58 per share to professional and sophisticated investors.
7	9 December 2022	SXG announced a \$0.14 million share placement. Nagambie Resources Limited placed 2,039,669 fully paid ordinary shares at 7.0 cents per share to SXG. Following the placement, SXG's shareholding in Nagambie increased to 53,361,046 shares, 10% of Nagmbie's new total issued shares of 533,610,463.
8	14 December 2022	SXG announced further high-grade gold mineralisation from new assays reported from the lower third of drillhole SDDSC050 from 651 m to 923.1 m at the 100%-owned Sunday Creek Project in Victoria.
9	30 December 2022	SXG released November 2022 Quarterly activities report, detailing the following highlights: <ul style="list-style-type: none"> <li>- Strong results from Sunday Creek were drilled.</li> <li>- The company raised \$ 16 million before costs through a placement of 27.59 million new shares to institutional and selected investors at \$0.58 per new share.</li> <li>- End of period cash position of \$17.9 million and no debt with a further \$2 million received post the end of the quarter.</li> </ul>

10	30 June 2024	<p>SXG released May 2023 Quarterly activities report, detailing the following highlights:</p> <ul style="list-style-type: none"> <li>- Drilling at Sunday creek is ahead of schedule on the 2023 target 30,000 m drill program, with 15,000 m remaining.</li> <li>- Sunday creek demonstrated globally significant intercepts, from 134 holes drilled for 26,476 m in total at the project.</li> <li>- 15 individual intersects at Sunday Creek now exceed 100 in grade x width (AuEq g/t x m).</li> <li>- 30 individual intersects at Sunday Creek now exceed 50 AuEq g/t x m.</li> <li>- The company reported ten drill holes during the period.</li> <li>- Extended mineralisation over the main drill area over 1,350 m from Chistina to east of Apollo.</li> <li>- Commenced drilling testing 3.5km to 7.5km along strike to the northeast from the main drill area.</li> </ul>
11	19 July 2023	<p>SXG announced the acquisition of Prospecting Licence PL6415 located in the Redcastle district of the Victorian goldfields. The acquisition secures 100% of the higher-grade parts of the Redcastle goldfield, where recent drilling has identified very high grades within continuous and targetable structures.</p>
12	28 August 2023	<p>SXG announced results which demonstrates the up-dig extension and continuation of five high grade zones towards the surface at the 100% owned Sunday Creek project in Victoria. Five individual assays of greater than 20 g/t gold, up to 162 g/t gold and high grades of antimony were intersected. Visible gold was noted in six individual restricted zones.</p>
13	29 December 2023	<p>SXG released November 2023 Quarterly activities report, detailing the following highlights:</p> <ul style="list-style-type: none"> <li>- Numerous indications of visible gold throughout and bonanza grade intercepts.</li> <li>- Drilling to east and west of the main Rising Sun/Apollo drill area demonstrated scale at the property with holes successfully drilled in new area.</li> <li>- Twenty-six holes from 6,577 m were announced to the end of quarter. The Company announced plans to drill 19,000 m from Sept 2023 to April 2024.</li> </ul>
14	10 January 2024	<p>SXG announced the results of its successful initial metallurgical test program conducted on two drill holes from the 100%-owned Sunday Creek Project. The program was successful in outlining a robust flow sheet. The proposed flow sheets consist of gravity separation of gold, followed by bulk or sequential flotation of gold and sulphides, that resulted in high recoveries of both gold and antimony into products with are anticipated to be readily saleable.</p>
15	23 January 2024	<p>SXG announced the maiden gold and antimony exploration target at this Sunday Creek Project. The exploration target was developed to demonstrate the high-grade gold-antimony potential of the Sunday Creek project. The exploration target covers 50% of the strike of the core drill Area.</p>
16	27 February 2024	<p>SXG announced the release of one drillhole from the Apollo area at Sunday Creek. The hole drilled eight-high grade vein sets at Apollo Deep over a 44m down-hole interval and delivered on multiple levels. It was the highest grade of golf found at Apollo to date.</p>
17	28 March 2024	<p>SXG released February 2024 Quarterly activities report, detailing the following highlights:</p> <ul style="list-style-type: none"> <li>- Significant drill success continued at Sunday Creek during the quarter. Numerous indications of extremely high grades of &gt;1,000 g/t gold ("Au") and up to 7,330 g/t Au were reported.</li> <li>- Drilling to the west of the main Rising Sun/Apollo drill area demonstrated scale at the property, increasing the strike of the main drill zone by 29%.</li> <li>- The company announced its intention to be dual listed on a Canadian stock exchange.</li> </ul>
18	4 April 2024	<p>SXG announced that it was conducting a non-renounceable fully underwritten pro-rata entitlement offer to raise approximately \$10.23 million before costs. The raise was fully subscribed and the company announced funds from the rights issue will be used to continue to drill the 100% owned Sunday Creek gold-antimony project over the next year.</p>
19	15 April 2024	<p>SXG announced results from three diamond drill holes from the Rising Sun prospect at Sunday Creek. With the Key highlights</p> <ul style="list-style-type: none"> <li>- Intersected nine mineralised structures over 473 m @ 1.7 g/t AuEq uncut and contains eight assayed intervals &gt; 50 g/t Au and six intervals &gt; 5%.</li> <li>- Tested a new vein set now defined from two adjacent holes, 2.7m @18.1 g/t AuEq from 628.5 m and 2.7 m @19.7 m g/t AuEq from 766.5 m.</li> </ul>
20	27 May 2024	<p>SXG announced it had drilled 473.0 g/t gold over 0.5 meters at Sunday Creek and that multiple high-grade structures were intersected which was successful in extending mineralisation beyond the bounds of the modelled mineralised domains. The company also announced the board had approved plans to drill 60km over the next year, with a fifth drill rig to commence within weeks and a sixth rig to arrive during September 2024.</p>

Source: SXG's ASX announcements.

The monthly share price performance of SXG since May 2023 and the weekly share price performance of SXG for the past 16 weeks are summarised below:

Southern Cross Gold Ltd	Share Price			Average weekly volume 000'
	High	Low	Close	
	A\$	A\$	A\$	
<b>Month ended</b>				
May 2023	0.680	0.462	0.480	1,686
Jun 2023	0.555	0.425	0.460	544
Jul 2023	0.520	0.390	0.430	549
Aug 2023	0.570	0.390	0.500	1,244
Sep 2023	0.910	0.680	0.795	4,008
Oct 2023	1.020	0.710	0.880	2,417
Nov 2023	1.015	0.725	0.905	1,799
Dec 2023	1.390	0.905	1.260	1,844
Jan 2024	1.310	0.875	1.230	1,998
Feb 2024	1.380	1.075	1.200	1,309
Mar 2024	2.130	1.210	1.840	2,863
Apr 2024	2.600	1.815	2.600	1,811
May 2024	3.490	2.160	2.860	2,639
<b>Week ended</b>				
23 Feb 2024	1.380	1.180	1.230	1,641
1 Mar 2024	1.320	1.125	1.300	1,220
8 Mar 2024	1.900	1.400	1.770	4,425
15 Mar 2024	2.090	1.700	1.935	3,690
22 Mar 2024	2.130	1.870	1.885	2,778
29 Mar 2024	1.945	1.790	1.840	845
5 Apr 2024	1.950	1.815	1.850	604
12 Apr 2024	2.400	1.895	2.400	2,477
19 Apr 2024	2.500	2.040	2.080	1,722
26 Apr 2024	2.320	1.980	2.300	2,021
3 May 2024	2.600	2.160	2.270	2,013
10 May 2024	3.490	2.360	3.210	3,963
17 May 2024	3.350	2.710	2.730	3,022
24 May 2024	3.020	2.650	2.750	1,897
31 May 2024	3.030	2.720	2.860	2,391
7 Jun 2024	2.960	2.710	2.800	2,262

Sources: S&P Global; GTCF analysis.

## 5 Profile of Mawson

### 5.1 Company overview

Mawson is a gold focused exploration company headquartered in Vancouver, Canada and listed on the TSXV. Currently Mawson's asset base consists of:

- A 43.80% shareholding in the Company's issued share capital on an undiluted basis or 40.79% on a diluted basis (excluding SXG performance rights).
- An option and joint venture agreement to earn-in up to 85% of the 2,500 ha Skellefteå project from EES. The project consists of four grant exploration permits. The project is very early-stage and has a current book value of C\$351,738.
- A portfolio of six uranium granted exploration licences are held via Euro Canna (wholly owned subsidiary of Mawson) since March 2023, all of which are granted and located in central and northern Sweden. The Euro Canna uranium licenses are considered an option on Sweden updating current legislation and permitting uranium exploration mining, notwithstanding the fact Sweden benefits from having 40% of its electricity supply generated by nuclear energy.

In accordance with the terms of the Scheme, Mawson will divest of all assets other than their interest in SXG in conjunction and shortly after with the implementation date. We have provided an overview of Mawson's current assets in Appendix C but we have also provided a status update below:

- The disposal of Skellefteå, which has a book value of C\$351,738, may occur post implementation of the Scheme so that Management are able to focus on SXG's existing assets.
- In relation to the Euro Canna Transaction, prior to the completion of the Scheme Mawson will:
  - Distribute the uranium project portfolio via their holding in Euro Canna common shares to the SUA Holdings for the issuance of SUA Holdings shares to Mawson;
  - Mawson will subscribe for 6,000,000 SUA Holdings shares for a consideration of C\$0.6 million cash to provide SUA Holdings with working capital; and
  - Subject to approval by Mawson Shareholders by way of a special resolution, Mawson will distribute all SUA Holdings Shares it holds to Mawson Shareholders as a return of capital.

On completion of the Euro Canna Transaction, SUA Holdings will directly hold the uranium projects and Euro Canna will cease to be wholly owned subsidiaries of Mawson.

## 5.2 Financial information

Due to Mawson's control ownership of SXG, the Mawson financial statements are shown on a consolidated basis with SXG.

### 5.2.1 Financial performance

The consolidated statements of financial performance for Mawson for the three financial years ended 31 May 2022, 31 May 2023 and 31 May 2024, are set out in the table below:

Consolidated statements of financial performance	FY22	FY23	FY24
C\$	Audited	Audited	Audited
<b>Revenue and other income</b>	-	-	-
<b>Expenses:</b>			
Accounting and administration	(265,113)	(95,815)	(233,197)
Accretion of interest on lease liabilities	(20,032)	-	(11,478)
Audit	(138,912)	(90,706)	(113,877)
Corporate development	(425,150)	(353,679)	(402,601)
Depreciation and amortisation	(105,486)	(41,987)	(156,129)
Directors and officers compensation	(889,850)	(566,208)	(316,029)
General exploration	(52,649)	(99,713)	(468)
Legal	(165,472)	(210,968)	(403,754)
Office and sundry	(260,642)	(186,219)	(264,753)
Professional fees	(375,381)	(642,056)	(272,720)
Regulatory fees	(84,417)	(165,222)	(176,869)
Rent	(133,491)	(139,256)	(4,020)
Salaries and benefits	(392,103)	(14,953)	(887,078)
Share-based compensation	(1,727,705)	(497,245)	(2,341,645)
Shareholder costs	(20,267)	(18,297)	(51,637)
Transfer agent	(34,525)	(16,506)	(37,875)
Travel	(199,910)	(127,407)	(214,310)
<b>Total expenses</b>	<b>(5,291,105)</b>	<b>(3,266,237)</b>	<b>(5,888,440)</b>
<b>Loss before other items</b>	<b>(5,291,105)</b>	<b>(3,266,237)</b>	<b>(5,888,440)</b>
Other items	(2,241,190)	(851,797)	(41,830,183)
<b>Comprehensive loss for the year</b>	<b>(7,532,295)</b>	<b>(4,118,034)</b>	<b>(47,718,623)</b>

Source: Mawson TSXV announcements.

We make the following observations:

- Mawson does not generate any revenue from operating activities.
- Most expenses are derived from management and other staff costs including salaries and share-based compensation, as well as professional fees, corporate development and legal expenses.
- Mawson previously held claims and exploration permits in Finland via the Rajapalot gold-cobalt

asset<sup>37</sup>. A sale was completed in December 2023 to Springtide Capital Acquisitions 7 Inc for a total consideration of c. C\$6.5 million. Mawson recorded an impairment provision of c. C\$39.0 million relating to the Rajapalot Project to reflect its net realisable value of c. C\$6.5 million, which was realised upon the sale.

## 5.2.2 Financial position

The consolidated statements of financial position for Mawson as at 31 May 2022, 31 May 2023 and 31 May 2024 are set out in the table below:

Consolidated statements of financial position	31/05/2022	31/05/2023	31/05/2024
C\$	Audited	Audited	Audited
<b>Current assets</b>			
Cash	12,141,196	14,680,432	15,497,519
GST/VAT receivable	129,829	220,396	238,188
Prepaid expenses and deposits	141,587	91,760	129,195
<b>Total current assets</b>	<b>12,412,612</b>	<b>14,992,588</b>	<b>15,864,902</b>
<b>Non-current assets</b>			
Investments	2,340,516	1,896,771	492,506
Property, plant and equipment	1,935,365	2,096,311	3,256,581
Exploration and evaluation assets	49,643,198	56,160,996	20,522,968
Right of use assets	-	840,375	202,759
Bonds	207,940	236,719	69,545
<b>Total non-current assets</b>	<b>54,127,019</b>	<b>61,231,172</b>	<b>24,544,359</b>
<b>Total assets</b>	<b>66,539,631</b>	<b>76,223,760</b>	<b>40,409,261</b>
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	1,025,162	1,739,932	1,380,052
Current portion of lease liabilities	-	139,537	100,124
<b>Total current liabilities</b>	<b>1,025,162</b>	<b>1,879,469</b>	<b>1,480,176</b>
<b>Non-current liabilities</b>			
Lease liabilities	-	710,097	103,519
<b>Total non-current liabilities</b>	<b>-</b>	<b>710,097</b>	<b>103,519</b>
<b>Total liabilities</b>	<b>1,025,162</b>	<b>2,589,566</b>	<b>1,583,695</b>
<b>Net assets</b>	<b>65,514,469</b>	<b>73,634,194</b>	<b>38,825,566</b>
<b>Equity</b>			
Share capital	93,723,078	93,993,681	97,678,699
Share-based payments reserve	9,402,625	10,683,524	9,382,338
Equity attributable to parent	2,839,864	8,268,857	11,947,523
Foreign currency translation reserve	16,412	(431,946)	(602,677)
Deficit	(47,796,876)	(52,750,309)	(96,569,072)
<b>Equity attributable to Company shareholders</b>	<b>58,185,103</b>	<b>59,763,807</b>	<b>21,836,811</b>
Non-controlling interest	7,329,366	13,870,387	16,988,755
<b>Total equity</b>	<b>65,514,469</b>	<b>73,634,194</b>	<b>38,825,566</b>

<sup>37</sup> In October 2022 Mawson filed a Preliminary Economic Assessment ("PEA") for the Rajapalot gold-cobalt project outlining a 9-year life of mine, with 736 koz of gold contained at a grade of 2.3 g/t Au.

Source: Mawson TSXV announcements.

We note the following in relation to Mawson's financial position:

- The material asset of Mawson as observed above is their exploration and evaluation assets. The value of c. C\$56.2 million as at 31 May 2023 decreased to c. C\$20.5 million as at 31 May 2024 as a result of the aforementioned sale of the Rajapalot Gold Project via Mawson Oy, with the sale resulting in a material c. C\$39.0 million impairment. The consequence of this sale (and subsequent impairment) is that the net assets of Mawson decreased from c. C\$73.6 million to c. C\$38.8 million between 31 May 2023 and 31 May 2024.
- As at 31 May 2024, Mawson held cash of c. C\$15.5 million, of which c. C\$12.1 million was attributed to the consolidation of the SXG subsidiary. Subsequently, the cash is not available to fund Mawson's ongoing overhead expenses and planned exploration activities outside of Australia. The financial statements detail that these events and conditions indicate a material uncertainty that exists which may cast doubt over Mawson's ability to continue as a going concern.

### 5.2.3 Cash flows

The consolidated statements of cash flows for Mawson for the three financial years ended 31 May 2022, 31 May 2023 and 31 May 2024, are set out in the table below:

Consolidated statements of cash flows	FY22	FY23	FY24
C\$	Audited	Audited	Audited
<b>Cash flows from operating activities</b>			
Net loss for the year	(3,883,896)	(4,953,433)	(47,374,411)
Adjustments	1,043,007	3,243,374	44,355,058
Changes in non-cash working capital items	153,623	100,247	(30,469)
Cash used in discontinued operating activities	-	-	(216,812)
<b>Net operating cash flows</b>	<b>(2,687,266)</b>	<b>(1,609,812)</b>	<b>(3,266,634)</b>
<b>Cash flows from investing activities</b>			
Expenditures on exploration and evaluation assets	(5,585,200)	(6,915,621)	(11,038,994)
Additions to property, plant and equipment	(1,869,056)	(279,614)	(1,198,799)
Addition to bonds	(99,979)	(17,495)	(52,257)
Investment purchases	(65,085)	(131,156)	-
Redemption of bonds	-	-	28,472
Proceeds from disposition of Mawson Oy	-	-	6,500,000
Cash relinquished on disposition of Mawson Oy	-	-	(92,277)
Cash used in discontinued investing activities	-	-	(795,939)
<b>Net investing cash flows</b>	<b>(7,619,320)</b>	<b>(7,343,886)</b>	<b>(6,649,794)</b>
<b>Cash flows from financing activities</b>			
Issuance of common shares	5,520,426	192,602	2,383,832
Share issue costs	(584,714)	-	-
Payments on lease liabilities	-	(55,350)	(100,097)
Net proceeds from Southern Cross issuance of common shares	2,449,932	11,599,149	8,184,518
Net proceeds from Southern Cross public offering	7,719,102	-	-
Net proceeds from Southern Cross private placement	-	-	-
Cash used in discontinued operations	-	-	(73,104)
<b>Net financing cash flows</b>	<b>15,104,746</b>	<b>11,736,401</b>	<b>10,395,149</b>
Effect of exchange rate changes on cash	(43,371)	(243,467)	338,366
<b>Net increase / (decrease) in cash</b>	<b>4,754,789</b>	<b>2,539,236</b>	<b>817,087</b>
Cash at beginning of financial year	7,386,407	12,141,196	14,680,432
<b>Cash at end of financial year</b>	<b>12,141,196</b>	<b>14,680,432</b>	<b>15,497,519</b>

Source: Mawson TSVX announcements.

We note the following in relation to the table above:

- We note the following movements in equity transactions:
  - On 20 January 2022 and 4 February 2022, SXG completed private placements and issued a total of 17,031,250 ordinary shares to raise C. A\$2,725,000 and Mawson's interest was diluted to 84.6% via the issuance of additional equity.
  - On 5 May 2022, SXG completed its IPO and issued 45,466,500 ordinary shares for gross proceeds of c. A\$9.1 million, resulting in Mawson's shareholding diluted to 60%.

- In November 2022 SXG completed a private placement and issued 27,396,548 ordinary shares for gross proceeds of c. A\$15.9 million, diluting Mawson's interest in SXG to 51%.

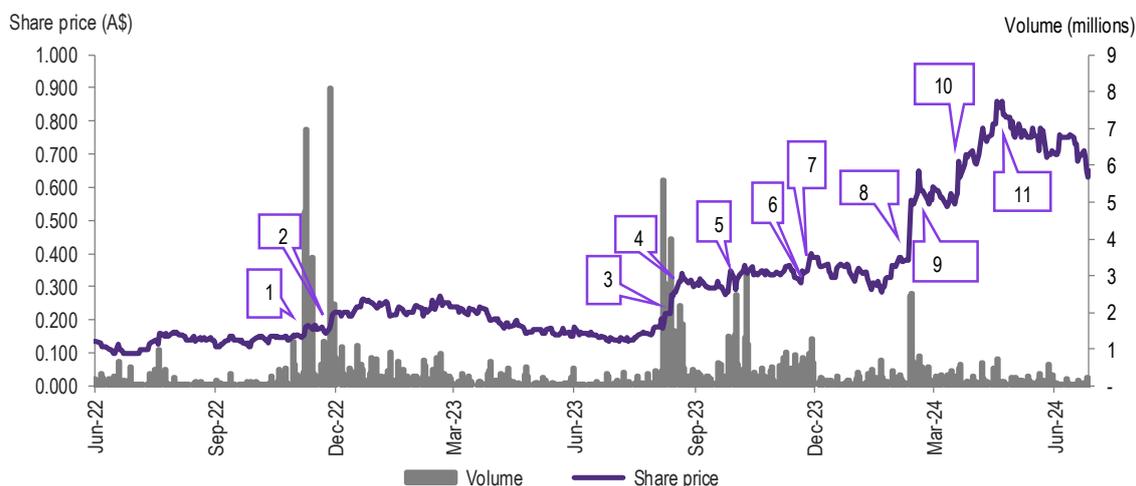
The reductions in Mawson's ownership interest in SXG has not resulted in a loss of control.

### 5.3 Share capital structure

As at the date of this report, Mawson's capital structure comprised 306,138,320 common shares and 2,600,000 Mawson options. There are no other securities, options, warrants, rights or instruments which remain outstanding and may convert into Merged Group shares upon implementation of the Scheme.

Our analysis of the daily movements in Mawson's share price and volumes for the period from June 2022 is set out below:

#### Historical share trading prices and volume of Mawson from June 2022



Sources: S&P Global; GTCF analysis.

The following table illustrates the key events from June 2022 to July 2024, which may have impacted the share price and volume movements shown above, we note many of the announcements are related to Mawson's holding in SXG, and therefore were likely also announced on the ASX and mentioned in section 4.5.

Event	Date	Comment
1	21 November 2022	SXG announced drilling results at Sunday Creek, being the deepest hole at the project at the time of announcement by c. 404.5 metres, with only 67% of the hole having been assayed and an additional c. 270 metres to process.
2	29 November 2022	Mawson announced that it had filed an independent PEA technical report for the Rajapalot Gold-Cobalt Project in Finland supporting an earlier announcement of this PEA on 20 October 2022. The PEA outlined a A\$211 million post-tax NPV using a price of US\$1,700/oz and \$60,000/t for cobalt.
3	28 – 29 August 2023	SXG announced multiple high grade drilling results at Sunday Creek, including five high grade zones and the deepest intersection to date (at the time of announcement), showing strong grade and volume results.
4	5 September 2023	SXG announced 'the best hole drilled to date on the project', being a wide and high-grade intersection of gold-antimony mineralisation at Sunday Creek.
5	12 – 23 October 2023	SXG announced results from 12 diamond drill holes for 2,367 metres from regional drilling located between 4 km and 8 km with high-grade results, followed by the announcement of the latest 'best hole to date'.

Event	Date	Comment
6	14 December 2023	SXG announced drilling results with high grades of gold antimony mineralisation and the 'third best' result at Sunday Creek.
7	20 December 2023	Mawson announced the closing of the transaction with Springtide Capital Acquisition 7 Inc, acquiring Mawson's Rajapalot gold-cobalt project in Finland. Mawson also announced that it had applied to, and has received conditional approval of, the TSX Venture Exchange for the listing of its common shares.
8	5 March 2024	SXG released results from the Rising Sun prospect, the best hole drilled to date at Sunday Creek, that returned a 'spectacularly long and high-grade intersection of gold-antimony mineralization'.
9	12 March 2024	SXG announced its intention to dual list on a Canadian stock exchange.
10	15 April 2024	SXG announced results from three diamond drill holes from the Rising Sun prospect at Sunday Creek
11	14 May 2024	Mawson announced it had fully exercised its participation rights in a rights issue by SXG, acquiring 2,840,910 SXG shares at A\$1.82 per SXG share for a total subscription of c. A\$5.2 million.

Source: Mawson announcements.

The monthly share price performance of Mawson since June 2023 and the weekly share price performance of Mawson for the past 16 weeks are summarised below:

Mawson Gold Limited	Share Price			Average weekly volume 000'
	High	Low	Close	
	C\$	C\$	C\$	
<b>Month ended</b>				
Jun 2023	0.180	0.140	0.160	382
Jul 2023	0.165	0.135	0.140	483
Aug 2023	0.210	0.135	0.190	2,335
Sep 2023	0.345	0.185	0.315	3,787
Oct 2023	0.370	0.270	0.365	2,580
Nov 2023	0.365	0.330	0.350	2,170
Dec 2023	0.415	0.300	0.360	2,353
Jan 2024	0.375	0.305	0.345	584
Feb 2024	0.400	0.250	0.375	1,026
Mar 2024	0.700	0.375	0.570	2,424
Apr 2024	0.800	0.510	0.750	1,142
May 2024	0.900	0.680	0.770	745
Jun 2024	0.800	0.670	0.750	708
<b>Week ended</b>				
29 Mar 2024	0.600	0.560	0.570	905
5 Apr 2024	0.610	0.510	0.580	1,240
12 Apr 2024	0.730	0.530	0.630	1,904
19 Apr 2024	0.710	0.630	0.700	484
26 Apr 2024	0.720	0.650	0.700	595
3 May 2024	0.800	0.690	0.750	1,113
10 May 2024	0.900	0.750	0.860	1,449
17 May 2024	0.870	0.810	0.810	398
24 May 2024	0.820	0.680	0.750	766
31 May 2024	0.790	0.740	0.770	502
7 Jun 2024	0.780	0.720	0.760	690
14 Jun 2024	0.800	0.700	0.770	728
21 Jun 2024	0.740	0.670	0.710	1,151
28 Jun 2024	0.770	0.700	0.750	262
5 Jul 2024	0.770	0.730	0.760	319
12 Jul 2024	0.760	0.660	0.690	354

Sources: S&P Global; GTCF analysis.

### 5.3.1 Top shareholders

We have set out below the top five shareholders of Mawson as at 18 October 2024:

Top five Mawson shareholders		
Shareholder	No. of shares	Interest (%)
Ruffer LLP	21,030,000	6.9%
Franklin Resources Inc	19,076,000	6.2%
Konw ave AG	12,980,200	4.2%
ASA Gold and Precious Metals Ltd	10,600,000	3.5%
CQS (UK) LLP	5,684,945	1.9%
<b>Top five shareholders</b>	<b>69,371,145</b>	<b>22.7%</b>
<b>Total remaining shareholders</b>	<b>236,767,175</b>	<b>77.3%</b>
<b>Total shares</b>	<b>306,138,320</b>	<b>100.0%</b>

Source: S&P Capital IQ.

## 6 Profile of Merged Group

### 6.1 Overview

On completion of the Proposed Transaction, the Merged Group will comprise of the new holding company Southern Cross Gold Consolidated Ltd, under which the assets and projects currently owned by SXG (as outlined in section 4) will be held.

There will be no change in the underlying operational performance of SXG post Scheme implementation and the Management team will remain as per the SIA.

### 6.2 Pro-forma financials

Consolidated statements of cash flows C\$	Mawson <sup>1</sup> 31-May-24	Pro-Forma Adjustments	Note Reference	Consolidated Pro-forma 31-May-24
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	15,497,519	(600,000)	Note 1	
		(1,269,520)	Note 3	
		17,002,500	Note 4	
		(1,761,596)	Note 4	
		(226,700)	Note 5	28,642,203
GST receivable	238,188	-		238,188
Other assets and prepaid expenses	129,195	-		129,195
<b>Total current assets</b>	<b>15,864,902</b>	<b>13,144,684</b>		<b>29,009,586</b>
<b>Non-current assets</b>				
Right-of-use assets	202,759	-		202,759
Property, plant and equipment	3,256,581	14,041,935	Note 4	17,298,516
Exploration and evaluation	20,522,968	(45,000)	Note 1	
		34,813,180	Note 4	
		226,700	Note 5	55,517,848
Bonds and security deposits	69,545	-		69,545
Investments	492,506	-		492,506
Investments in SUA Holdings	-	645,000	Note 1	645,000
	-	(645,000)	Note 1	(645,000)
<b>Total non-current assets</b>	<b>24,544,359</b>	<b>49,036,815</b>		<b>73,581,174</b>
<b>Total Assets</b>	<b>40,409,261</b>	<b>62,181,499</b>		<b>102,590,760</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	1,380,052	-		1,380,052
Lease liabilities	100,124	-		100,124
<b>Total current liabilities</b>	<b>1,480,176</b>	<b>-</b>		<b>1,480,176</b>
<b>Non-current liabilities</b>				
Lease liabilities	103,519	-		103,519
<b>Total non-current liabilities</b>	<b>103,519</b>	<b>-</b>		<b>103,519</b>
<b>Total liabilities</b>	<b>1,583,695</b>	<b>-</b>		<b>1,583,695</b>
<b>Net Assets</b>	<b>38,825,566</b>	<b>62,181,499</b>		<b>101,007,065</b>
<b>Equity</b>				
Share capital	97,678,699	238,466,050	Note 2	
		(645,000)	Note 1	
		64,096,019	Note 4	399,595,768
Share-based payments reserve	9,382,338	-		9,382,338
Equity attributable to parent	11,947,523	(11,947,523)	Note 2	-
Foreign currency translation reserve	(602,677)	-		(602,677)
Accumulated losses	(96,569,072)	(209,529,772)	Note 2	
		(1,269,520)	Note 3	(307,368,364)
Equity attributable to parent	21,836,811	79,170,254		101,007,065
Non-controlling interest	16,988,755	(16,988,755)	Note 2	-
<b>Total equity</b>	<b>38,825,566</b>	<b>62,181,499</b>		<b>101,007,065</b>

Source: SXG management, GTCF analysis.

Notes: (1) The pro forma historical statement of financial position of the Merged Group represents Mawson's consolidated statement of financial position (as they control of SXG), with the adjustments reflecting the changes based on the terms of the Scheme. (2) The above is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position. (3) A AUD:CAD exchange rate of 0.9068 has been used (reflective of 31 May 2024).

We have provided notes to the pro-forma adjustments below:

**Note 1** – Mawson will transfer C\$600,000 of cash and its shares in the wholly owned subsidiary, Euro Canna, which holds the uranium assets in Sweden via SUA Holdings to Mawson shareholders. The book value of the Swedish uranium assets as at 31 May 2024 is approximately C\$45,000 (we understand from Management there has been no change to the book value as at the date of this report). The shares of SUA Holdings will be distributed to the Mawson shareholders by way of a return of capital, prior to implementation of the Scheme. This transaction will result in the cash balance in the Merged Group decreasing by C\$600,000, Exploration and evaluation assets will decrease by C\$45,000 and share capital will decrease by C\$645,000.

**Note 2** – Mawson's share capital will increase by the number of Mawson shares issued (98,134,177 new Mawson shares), which is then multiplied by the post consolidation price per share of C\$2.43 (as detailed in Section 9 of the Scheme Booklet). This will be credited to the share capital. The offsetting adjustments eliminate the non-controlling interest and equity of the parent with the balance being charged to accumulated losses.

**Note 3** – Scheme costs are estimated to be c. C\$1.3 million (c. A\$1.4 million<sup>38</sup>). Cash and accumulated losses have been adjusted accordingly. At the date of this IER, c. C\$0.5 million of the Scheme costs have already been incurred.

**Note 4** - Adjustment for the acquisition of Sparr for a consideration of 22,088,670 SXG Shares. As part of the acquisition, the Company will acquire C\$14.0 million<sup>39</sup> in freehold land, C\$17.0 million in cash and C\$34.8 million in exploration and evaluation assets.

**Note 5** - Adjustment for the acquisition of the remaining 30% in the Company's Redcastle Project for cash consideration of C\$226,700.

### 6.3 Pro-forma capital structure

The SXG Shareholders' economic interest in SXG and the Merged Group remains substantially the same before and after implementation of the Scheme as set out below.

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<sup>38</sup> Based on the AUD:CAD exchange rate of 0.9068.

<sup>39</sup> The property, plant and equipment adjustment also includes the cash payment of C\$1.8 million for the acquisition of the residential properties.

Scheme capital structure summary	Notes Reference	Diluted	Undiluted
SXG existing capital structure:			
SXG Non-Associated Shareholder shares		123,944,364	123,944,364
Mawson shares held		96,590,910	96,590,910
SXG options	Note 1	16,286,333	-
<b>Total SXG diluted shares outstanding</b>		<b>236,821,607</b>	<b>220,535,274</b>
SXG Non-Associated Shareholder proportion of SXG		52.34%	56.20%
Mawson shareholder proportion of SXG		40.79%	43.80%
SXG options		6.88%	0.00%
SXG shares excluding Mawson	Note 2	140,230,697	123,944,364
Share Exchange Ratio		1.0	1.0
SXG shares in the Merged Group		140,230,697	123,944,364
<b>Merged Group shareholding:</b>			
SXG Non-Associated Shareholder shares		123,944,364	123,944,364
SXG options		16,286,333	-
Mawson shareholder shares	Note 3	96,590,910	96,590,910
Mawson options	Note 3	820,336	-
SXG Non-Associated Shareholder proportion	Note 4	52.16%	56.20%
SXG options		6.85%	0.00%
Mawson shareholders proportion		40.65%	43.80%
Mawson options		0.35%	0.00%

Source: Management information; Scheme Booklet.

We have provided notes to the above table below:

Note 1 – SXG has 16,286,333 options on issue with an exercise price ranging between A\$0.30 and A\$1.20. Based on the current SXG trading price of A\$3.52<sup>40</sup> per share, these options are deeply in the money and accordingly we have included them within the total issued shares of SXG. Further detail on the Options and Rights Exchange Agreement is available in Section 1 of the Scheme Booklet. SXG also holds 280,000 performance rights which we understand won't vest for at least another year and we have not included within the total SXG shares.

Note 2 – The diluted SXG shares includes SXG Non-Associated Shareholder Shares of 123,944,364 (including the 22,088,670 shares issued to Sparr) and SXG Options of 16,286,333.

Note 3 – The issued shares of Mawson before implementation of the Scheme is represented by 306,138,320 shares and 2,600,000 Mawson options with an exercise price of C\$0.24 which will be consolidated to 96,590,910 shares and 820,336 options with an exercise price C\$0.76.

Note 4 – After implementation of the Scheme, SXG Non-Associated Shareholders' interest in SXG and the Merged Group will remain substantially the same.

<sup>40</sup> Source: Capital IQ on 18 October 2024.

## 7 Sources of information, disclaimer and consents

### 7.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Scheme Booklet
- Scheme Implementation Deed (which includes the Scheme of Arrangement and Deed Poll as annexures).
- Presentation and other materials.
- Annual reports/consolidated accounts of SXG and Mawson.
- Press releases and announcements by SXG and Mawson in the public domain.
- S&P Global.
- Various industry and broker reports.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of SXG and its advisers.

### 7.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been prepared to assist the Independent SXG Board Committee of SXG in advising the SXG Non-Associated Shareholders in relation to the Scheme. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Scheme is in the best interests of SXG Non-Associated Shareholders.

SXG has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise,

excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred

### 7.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to the SXG Non-Associated Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

## Appendix A – Valuation methodologies

### Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

### Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

### Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

### Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

### Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

## Appendix B – Glossary

A\$ / C\$	Australian Dollar / Canadian Dollar
A-VIX	S&P/ASX 200 VIX Index
APES	Accounting Professional & Ethical Standards
APES 225	Professional standard APES 225 Valuation Services
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
CAPEX	Capital Expenditures
CDI	A CHESSE depository interest, being a unit of beneficial ownership in a security that is registered in the name of CDN, or beneficial ownership is held by CDN, in accordance with the ASX Settlement Rules
CHESSE	Clearing House Electronic Sub-register System is the computer system used by the ASX to record shareholdings and manage the settlement of share transactions.
Corporation Regulations	Part 3 of Schedule 8 of the Corporations Regulations 2001
EES	Elemental Exploration Scandinavia AB
ETF	Exchange Traded Funds
Euro Canna	Euro Canna Holdings Ltd
Euro Canna Transaction	The sale of Euro Canna by Mawson shareholders
FSG	Financial Services Guide
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
IER	Independent Expert Report
Ineligible Foreign Shareholders	A Shareholder whose address, as shown in the Register as at the Record Date, is in a place outside Australia and its external territories, New Zealand, Canada, Hong Kong, Switzerland, European Union (Germany and Luxembourg), Liechtenstein, Singapore, United Kingdom and United States unless Mawson determines that it is lawful and not unduly onerous or impracticable to issue Merged Group shares in that jurisdiction if the Scheme becomes Effective
IPO	Initial Public Offering
JORC Resource	JORC Mineral Resource Estimate
Management	The current Australian Board and management team of SXG
Mawson or MAW	Mawson Gold Ltd
Merged Group	The newly merged group (Southern Cross Gold Consolidated Limited and its subsidiaries after implementation of the Scheme)
Mt	Million tonnes
Nagambie	Nagambie Resources Ltd
NBTS	Non-Binding Term Sheet
NSR	Net Smelter Royalty
OPEX	Operating Expenditures
Options and Rights Exchange Agreement	New Merged Group options and performance rights are to be issued (at no cost) to the holders of SXG options and performance rights
PEA	Preliminary Economic Assessment
RG 111	Regulatory Guide 111 "Contents of expert reports"
RG 112	Regulatory Guide 112 "Independence of experts"
Sale Transaction	Sell Euro Canna or its assets to an arm's length party and distribute the proceeds to Mawson shareholders
Scheme	Mawson will purchase all SXG shares that it does not own by way of a Scheme of Arrangement, and (if approved) will issue shares in Australia (i.e in CDI form which would trade on the ASX) or Canada (at the shareholders' choice) on a 1 for 1 basis.
Scheme Booklet	Explains the proposed scheme of arrangement between SXG and its shareholders
Share Exchange Ratio	SXG shares will be acquired on a 1 for 1 basis with shares in the Merged Group (or equivalent CDIs).
SIA	Scheme Implementation Agreement between Mawson and SXG
Skellefteå	Skellefteå North Gold Project
Sparr	Sparr Nominees Pty Ltd
Sunday Creek	100% owned Sunday Creek epizonal-style gold and antimony project



SXG or the Company  
SXG Non-Associated  
Shareholders  
TSE  
TSXV

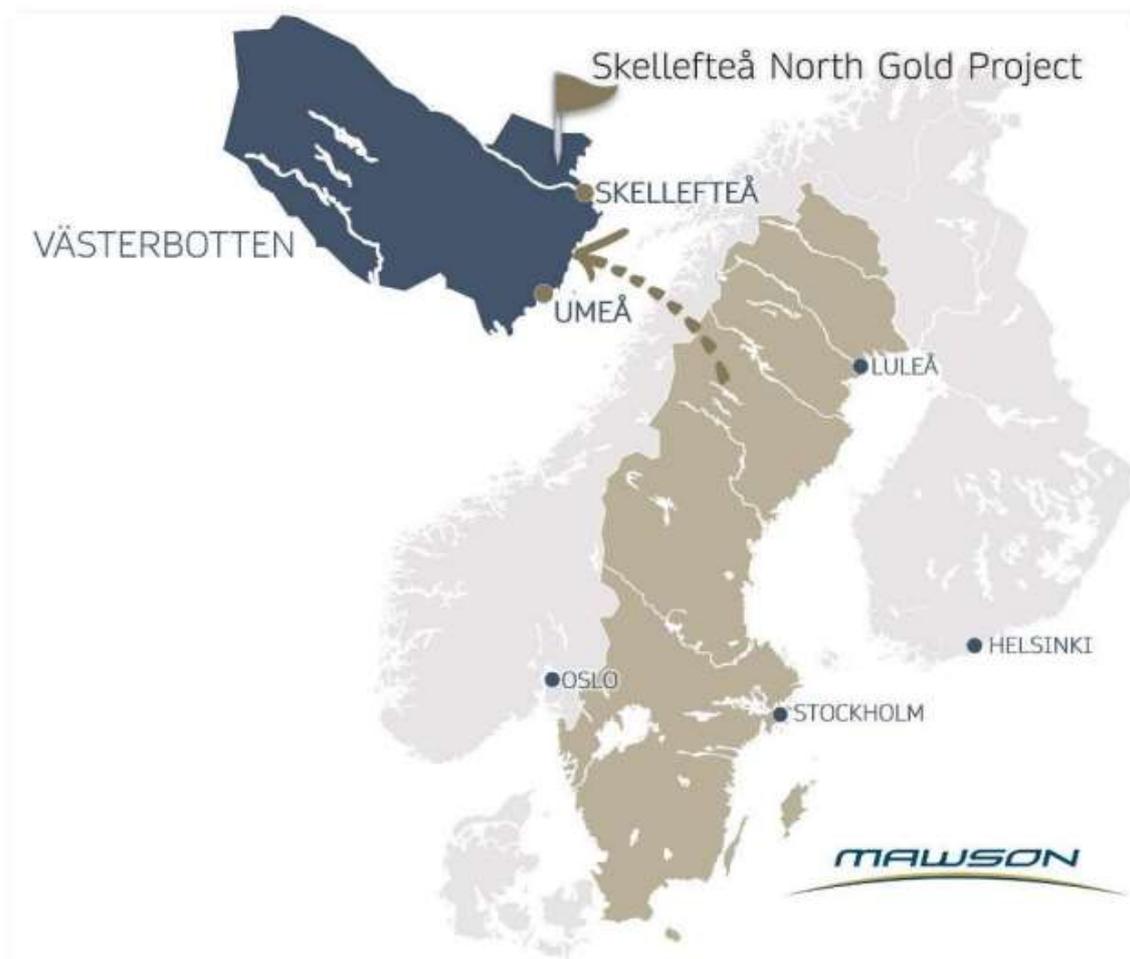
Southern Cross Gold Ltd  
SXG shareholders excluding Mawson and Mawson subsidiaries  
Toronto Stock Exchange  
Toronto Stock Exchange Venture Exchange

## Appendix C – Mawson asset overview

### 7.4 European exploration projects

#### 7.4.1 Skellefteå North Gold Project

In addition to its exposure to Australian mining assets via its holding in SXG, Mawson also holds various concessions in Sweden hosting various uranium and gold deposits. In January 2022, Mawson entered into an option and joint venture agreement to earn-in up to 85% of the 2,500 ha Skellefteå project from EES. Skellefteå consists of four granted exploration permits across 2,500 hectares of 100%-owned claims located in the Skellefte Mining District of Northern Sweden, 40 km north-northwest of the city of Skellefteå as outlined below. Notably, Skellefteå is adjacent to a number of currently producing gold projects that have produced in excess of 7 Moz of gold within 22km of the project (most notably from the Boliden, Bjorkdal and Kankberg gold mines).



Source: Technical Report for the Skellefteå North Gold Property, November 2023.

The key terms of the option agreement include:

- An option to earn an initial 75% economic interest which is exercisable by Mawson but subject to incurring aggregate expenditures of C\$3.0 million over 4 years, provided that a minimum C\$0.22 million is spent in year one and C\$0.28 million in year two.

- An option to earn an additional 10% interest (total interest of 85%) exercisable by Mawson upon completion of a NI 43-101 compliant pre-feasibility or feasibility study.
- Following Mawson earning 85%, formation of a standard joint venture with both parties contributing to ongoing funding.
- Should either party dilute below 10%, the diluting party's interest will convert to a 2% Net Smelter Royalty ("NSR"). The non-diluting party will hold an exclusive right to acquire 50% of the NSR for C\$1.5 million at any time prior to the date that is 12 months after commercial production.

Exploration at the Skellefteå North Gold Property has been managed and executed in-country by Elemental and since acquisition of the property in 2019, EES and Mawson have completed sampling with a total expenditure to date of c. C\$245,000. The most advanced target on the project is the Dalbacka Prospect which is fully permitted for year-round drilling and had high-grade gold mineralization first identified in 2019 by EES. Drilling to date has tested approximately 300m of a 3700m gold trend identified including significant drill intercepts from three main holes 4.4m at 4.8g/t Au, 1.8m at 28.4g/t Au, and 5.7m @ 1.2g/t Au. Mawson notes the next steps at the project include high resolution ground magnetics and surface geochemical sampling to delineate more structure as well as target drilling to follow up on high grades identified. Skellefteå is currently held in Mawson's financial accounts at C\$351,738.

#### 7.4.2 Euro Canna

In March 2023, Mawson through its wholly owned holding company Euro Canna acquired six exploration licenses, all of which are granted and located in central and northern Sweden and primarily explore for minerals hosting the majority of Sweden's conventional hard rock historic uranium resources (collectively holding c. 22.7 Mlb of uranium resources as outlined in section 2.4.1). We have summarised these projects below:

Project	Holes	Tonnes (M t)	Grade	M lb's	Area	Comment
Liljuthatten	99 DDH	0.78	0.240%	4.2	Hotagen District	Claim granted
Klappbacken	56 DDH	1.94	0.080%	3.3	Hotagen District	Claim granted
Nojdfjallet	64 DDH	0.76	0.068%	1.1	Hotagen District	Claim granted
Bjorkramyrån	87 DDH	1.33	0.100%	3.3	Asele District	Claim granted
Skuppesavon	54 DDH	0.98	0.080%	1.8	Arvidsjaur District	Claim granted
Pleutajokk	161 DDH	1.93	0.120%	5.3	Arvidsjaur District	Claim granted
Kvarnan	108 DDH	1.94	0.086%	3.7	Boden District	Claim granted

Source: Mawson Corporate Presentation, January 2024.

The Euro Canna uranium licenses are considered an option on Sweden updating current legislation and permitting uranium exploration mining, notwithstanding the fact Sweden benefits from having 40% of its electricity supply generated by nuclear energy. A uranium exploration and mining moratorium has been in place since May 2018 with no permits for uranium exploration or mining being issued since August 2018. We note from management that exploration, development and mining of the projects held within Euro Canna is possible under the current Swedish Minerals Act, however current legislation would forbid recovery via mining of these resources.

We note that in February 2024, Sweden's Climate and Environment Minister, Romina Pourmokhtari announced the launch of an investigation to abolish the country's ban on uranium mining, an inquiry which

ended in May 2024 and is pending a public announcement. We note from Management future legislative changes and therefore the ability to further uranium mining and exploration within Sweden are uncertain.

Immediately prior to, or concurrently with the completion of the Scheme, Mawson intends to, subject to Swedish regulatory change, and considering all corporate and tax matters, either:

- distribute Euro Canna common shares to the Mawson shareholders; or
- sell Euro Canna or its assets to an arm's length third party and distribute the net proceeds to the holders of Mawson shares.

The above process is referred to collectively, as the Euro Canna Transaction. We note from Management the Euro Canna Transaction is subject to shareholder approval and is likely to proceed as a precursor to the implementation of the Scheme and as part of the divestment of all assets other than SXG shares.

## Appendix D – Uranium industry overview

Uranium is a relatively abundant metallic, silver-grey radioactive element that is primarily used as a fuel for nuclear power stations, with other applications for medical, industrial and defence purposes. Nuclear power accounts for approximately 10% of the world's electricity supply and almost 30% of its low-carbon electricity, making it the second largest source of low-carbon power<sup>41</sup>, behind hydroelectric power.

Approximately 88% of the world's uranium is produced in just a handful of countries: Kazakhstan, Canada, Australia, Namibia, Niger and Russia<sup>42</sup>. Most uranium is traded under long-term contractual arrangements, typically between three to fifteen years, at a premium to the spot price at the time of delivery<sup>43</sup>.

Nuclear power technology was first commercialised in the 1950s and the number of operable nuclear reactors grew rapidly in the 1960s, 1970s and 1980s as the technology gained widespread adoption<sup>44</sup>. By the end of the 1980s there were over 400 operable reactors around the world<sup>45</sup>. The number of reactors has remained relatively stable since then with approximately 440 operable reactors in 2024. The slowdown in the growth of new reactors was due to several factors including slowing electricity demand growth, increasing capital and construction costs, and increasing public opposition (due to several high-profile accidents, in particular at Three Mile Island<sup>46</sup> and Chernobyl<sup>47</sup>). In the ten-year period following the Three Mile Island accident in 1979, 67 planned nuclear reactor builds in the United States were cancelled<sup>48</sup>.

On 11 March 2011, a major earthquake off the coast of Fukushima, Japan, caused a tsunami that interrupted the power supply and cooling of three nuclear reactors in the Japanese town of Okuma located in Fukushima Prefecture<sup>49</sup>. This resulted in a meltdown in three cores, which led to three hydrogen explosions and the release of radiation into the atmosphere and surrounding areas and evacuation of over 100,000 people. Following the Fukushima disaster, all of Japan's 54 nuclear reactors were either closed down or had their operations suspended for safety inspections.

### *Demand*

At present, the only substantial use of uranium around the world is as a fuel for nuclear reactors to generate electricity. Therefore, the demand for uranium is almost entirely driven by the demand for electricity and the demand for nuclear power within the energy mix.

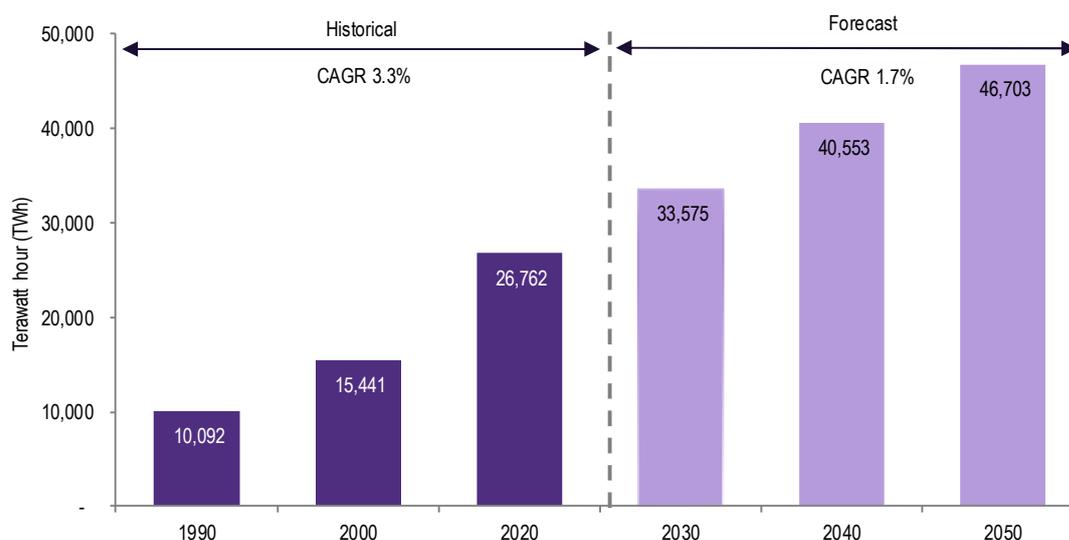
Beginning in the early 2000s, the prospects for nuclear power began to improve driven by expectations of soaring electricity demand (particularly in the rapidly industrialising areas of Asia), concerns about climate change, and the growing importance of energy security and access to affordable and dispatchable electricity at all times. Demand for uranium is expected to grow within the short term with the market forecast to remain in a structural deficit as production and supply fail to meet the global needs for nuclear power and electricity demand.

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In recent years, carbon emission reduction targets have become more important as world leaders have sought to tackle climate change concerns. In order to meet their commitments under the 2015 Paris Agreement, countries may require a significant contribution from nuclear power<sup>50</sup>. This is supported by the Intergovernmental Panel on Climate Change’s mitigation pathways to achieve 1.5°C of global warming rise, compared to 2°C or more in the context of sustainable development<sup>51</sup>, with nuclear power seen as potentially playing an important role in meeting climate objectives. Additionally, during 2023 United Nations Climate Change Conference held in November 2023, 22 countries launched a declaration to triple installed nuclear energy capacity by 2050. Currently, 58 new global reactors are under construction, with 22 of these being in China, while Japan has restarted numerous projects and France and Bulgaria are looking to build 14 and 4 respectively.

Globally, electricity demand is expected to grow at a CAGR of c. 2%<sup>52</sup> between 2020 and 2050 due to the electrification of the economy, particularly in end uses such as transport, heating and industrial processes. Approximately 80% of growth is expected to come from emerging market and developing economies<sup>53</sup>. Growing electricity demand is expected to support the investment in new nuclear power plants due to their ability to supply uninterrupted base-load quantities of electricity 24/7, without releasing any greenhouse gases, and regardless of weather conditions which can hamper renewable energies.

### Growth of electricity generation



Sources: International Energy Agency; World Energy Outlook, October 2021.

## Supply

### Reserves and resources

Uranium is an abundant element, however the process of mining and milling uranium to uranium oxide and then enriching uranium is what takes time and creates the gap between supply and demand. Australia has the largest recoverable resource base in the world with close to 1.7 million tonnes of uranium (tU),

representing 28% of global resources<sup>54</sup>. Kazakhstan and Canada have the second and third largest resources with 13% and 10% of world resources respectively. Other key resources are located in Russia, Namibia and South Africa. Below we present the current estimated global uranium resources by country:

Uranium resources by country		
Country	Uranium (tonnes)	World %
Australia	1,684,100	28%
Kazakhstan	815,200	13%
Canada	588,500	10%
Russia	480,900	8%
Namibia	470,100	8%
South Africa	320,900	5%
Niger	311,100	5%
Brazil	276,800	5%
China	223,900	4%
Mongolia	144,600	2%
Other	762,400	12%
<b>Total</b>	<b>6,078,500</b>	<b>100%</b>

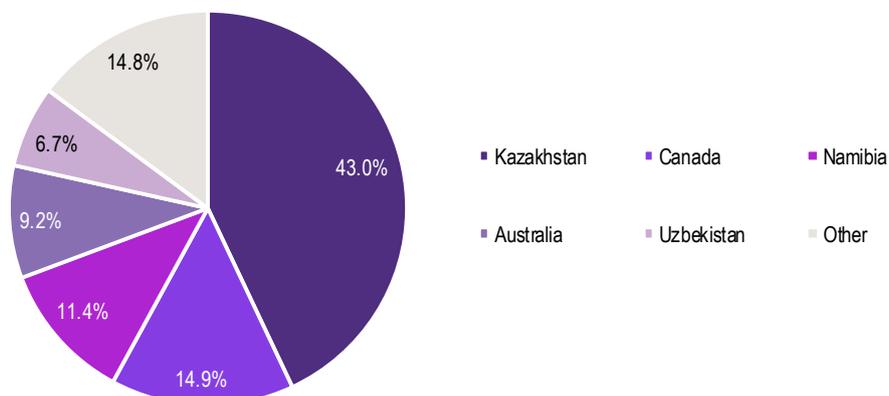
Sources: World Nuclear Association; World Uranium Mining Production.

In Australia, uranium mining and exploration requires both federal and state/territory approvals. Historically, various legislation at the state/territory level have prohibited uranium exploration and mining. At present, uranium exploration is allowed in all states and territories except for Victoria, however uranium mining is only allowed in South Australia, Northern Territory and Tasmania. WA has banned future uranium mining except for four projects that received State Ministerial approval under the former Liberal National Government.

### Production

Global production is dominated by a few countries with the top 5 producing countries supplying c. 87% of uranium.

### 2022 top uranium producers worldwide



Sources: World Nuclear Association; World Uranium Mining Production.

Of the total global uranium production 70.7% occurs from mines in Kazakhstan, Canada and Australia, with over 55% of global supply occurring from in-situ leaching. The global uranium production has declined at a CAGR of c. 2.0% over the last ten years, from c. 59,331 tU in 2013 to c. 49,355 tU in 2022<sup>55</sup>, driven by lower demand and prices following the Fukushima Disaster in 2011. In the aftermath of the Fukushima Disaster, a large number of mines around the world were placed on care and maintenance.

During the 1990's, the uranium production industry experienced a consolidated via takeovers, mergers and closures. Over half of the uranium mine production occurs from state-owned mining companies, some of which prioritise secure supply over market considerations. In 2022, the top 10 companies in the market by production contributed to over 90% of the world's uranium production.

### *Secondary supplies*

Historically, global production has not kept pace with reactor requirements. However, this has not had a material effect on spot prices due to secondary supplies including stockpiled uranium held by utilities<sup>56</sup>. Secondary supplies are a critical element balancing the uranium market, filling a primary production shortfall gap of c. 1.4 billion lb U<sub>3</sub>O<sub>8</sub> over the last three decades<sup>57</sup>.

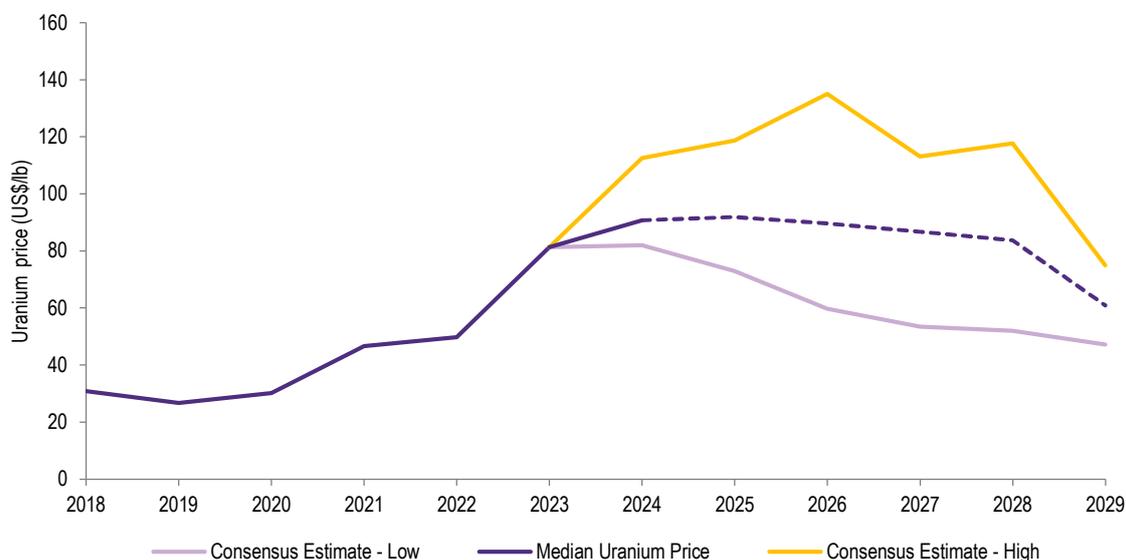
These stockpiles were heavily depleted over the 15-year period from 1990-2005, in the aftermath of the Cold War, as weapon stockpiles of enriched uranium were released for use in power plants. In 2002, only 54% of uranium used for nuclear power plants came from mining activity, however by 2012, this number increased to 95%<sup>58</sup>. These de-weaponised stockpiles have now been mostly depleted, although some increase in uranium stockpiles has been evident following the Fukushima Disaster due to lower demand in recent years. 77% of uranium requirements were supplied by mines in 2021, and the balance made up from secondary sources.

### *Uranium price and outlook*

The vast majority of uranium is sold by producers directly to utilities under long-term contracts, typically between 3-15 years. Prices specified in contracts typically have regard to the spot price at the time of delivery plus a premium reflecting the security of supply. This premium has varied over time, but from previous spot price and contract price comparisons, the average premium is 29% over the last 10 years<sup>59</sup>. Below we outline the historical and forecast uranium prices:

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### Historical and forecast uranium prices



Source: Consensus Economics forecasts.

### Uranium price outlook

Historically, major incidents such as the Chernobyl disaster, have impacted demand and subsequently prices. However, as safety protocols have improved and a continued global desire for cleaner energy, the value of uranium has experienced a steady increase, growing at a CAGR of c. 4.4% since 2010. With nuclear energy set to increase in the future, the demand for uranium is expected to rise in the coming years. As discussed previously, France and the United Kingdom have all announced plans to build and commission reactors by 2030<sup>60,61,62</sup>. In addition, Japan recently announced plans to restart its existing nuclear plants and extend their lifetime, while considering longer term investments in new nuclear plants, such as SMRs. Germany meanwhile plans to postpone the closure of the country's last three nuclear plants due to the possibility of energy shortages resulting from Russia reducing its supply of gas to the country. These global plans regarding plant construction are likely to support increases in prices of uranium. Supply shortages are expected to occur by the end of the decade which is likely to result in increases in spot prices.

Broker consensus estimates are predicting real uranium prices to continue to increase from c. US\$79.2 per lb U<sub>3</sub>O<sub>8</sub> at present to a peak of US\$91.9 per lb U<sub>3</sub>O<sub>8</sub> in 2025. However, broker consensus estimates forecast a drop to US\$83.7 per lb U<sub>3</sub>O<sub>8</sub> in 2028 and further reducing to US\$60.9 per lb U<sub>3</sub>O<sub>8</sub> beyond 2028<sup>63</sup>.

## **Annexure B – Investigating Accountant’s Report**

11 November 2024

The Directors  
Southern Cross Gold Limited  
Level 5, 261 George Street,  
SYDNEY NSW 2000

Dear Sirs

**Limited Assurance Investigating Accountant's Report**

We have been engaged by Southern Cross Gold Limited and its controlled entities ("SXG") as Investigating Accountant in connection with the proposed merger of SXG and Mawson Gold Limited and its controlled entities ("Mawson") as announced to the ASX on 11 June 2024 (the "Scheme") which will involve the preparation by the parties to the Scheme Booklet to report upon the historical and pro forma financial information which will be included in the Scheme Booklet to be despatched to all SXG shareholders (the "Scheme Booklet") to be dated on or about 11 November 2024. On the basis that the Scheme becomes effective, SXG & Mawson will form a Combined Group and will be dual listed with SXG becoming a wholly owned subsidiary of Mawson as a result of the Scheme.

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

**Scope**

*Historical Financial Information*

You have requested William Buck to review the following historical statutory financial information of SXG and Mawson (the "parties") included respectively in sections 7 and 8 of the Scheme Booklet:

1. the statutory historical financial reports for the years ended 31 May 2024 (**FY24**), 31 May 2023 (**FY23**) comprising:
  - a. the audited historical consolidated statements of financial position of both parties for FY23 and FY24.
  - b. the audited historical consolidated statements of profit or loss and other comprehensive income for FY23 and FY24 of SXG; and
  - c. the audited historical consolidated statement of cash flows for FY23 and FY24 of SXG.

**Scope** *(Continued)*

*Historical Financial Information*

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards for SXG and IFRS Accounting Standards in respect of Mawson and the respective adopted accounting policies of the parties, which are disclosed in the financial information section of the Scheme Booklet. The historical financial information has been extracted from the respective financial reports of the parties for the stated periods.

The SXG financial reports were audited by William Buck Audit (Vic) Pty Ltd (“William Buck”) in accordance with the Australian Auditing Standards and were issued with unmodified opinions for the years ended 31 May 2023 & 31 May 2024.

The Mawson financial reports were audited by D&H Group LLP (“D&H Group”) in accordance with the Canadian generally accepted auditing standards and were issued with unmodified opinions for the years ended 31 May 2023 & 31 May 2024.

The historical financial information is presented in this public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards for SXG and IFRS Accounting Standards in respect of Mawson and the respective adopted accounting policies of the parties.

*Pro-forma historical financial information*

You have requested William Buck to perform a limited assurance engagement in relation to the pro forma historical consolidated Statement of Financial Position of the Group as at 31 May 2024 described below and described in the Scheme Booklet.

The Pro Forma Historical Statement of Financial Position is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Compilation of the Pro Forma Historical Statement of Financial Position**

SXG have requested William Buck to perform limited assurance procedures in relation to the compilation of the Pro Forma Historical Statement of Financial Position of the Group included in the Scheme Booklet.

The Pro Forma Historical Statement of Financial Position has been derived from the historical financial information of SXG and Mawson, after adjusting for the effects of pro forma transactions described in section 9.14 of the Scheme Booklet. The basis on which SXG has compiled the Pro Forma Historical Statement of Financial Position is specified in section 9.13 of the Scheme Booklet.

**Compilation of the Pro Forma Historical Statement of Financial Position** *(Continued)*

The Pro Forma Historical Statement of Financial Position has been compiled by SXG to illustrate the impact of the Scheme on Mawson's financial position as at 31 May 2024. As part of this process, information about SXG's and Mawson financial position have been extracted from SXG and Mawson financial statements for the year ended 31 May 2024.

The financial report of SXG for the year ended 31 May 2024 was audited by William Buck in accordance with Australian Auditing Standards. The audit opinion issued to the members of SXG relating to those financial statements was unmodified. The financial report of Mawson for the year ended 31 May 2024 was audited by D&H Group in accordance with Canadian generally accepted auditing standards. The audit opinion issued to the members of Mawson relating to that annual financial report was unmodified, inclusive of a "Material Uncertainty Related to Going Concern" referring to note 1 disclosure outlining the nature of operations and going concern basis. Additionally, the audit report contained an emphasis of matter in respect of a restatement of comparative information for FY23 at note 17.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Pro Forma Historical Statement of Financial Position in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Pro Forma Historical Statement of Financial Position has not been properly compiled on the basis stated in section 9.13 of the Scheme Booklet.

We have conducted our procedures in accordance with the Standard on Assurance Engagements *ASAE 3420 Assurance Engagements To Report on the Compilation of Pro Forma Historical Statement of Financial Position included in a Prospectus or other Document (ASAE 3420)*.

Our limited assurance engagement has involved performing procedures to assess whether the applicable criteria used by SXG in the compilation of the Pro Forma Historical Statement of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the event(s) or Scheme(s), and that the:

- related pro forma adjustments give appropriate effect to those criteria; and
- resultant Pro Forma Historical Statement of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The engagement has also involved evaluating the overall presentation of the Pro Forma Historical Statement of Financial Position.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Statement of Financial Position has been properly compiled on the basis stated in section 9.13 of the Scheme Booklet.

We have not performed an audit or review of the historical financial information used in compiling the Pro Forma Historical Statement of Financial Position, or of the Pro Forma Historical Statement of Financial Position itself. Also, our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used in compiling the Pro Forma Historical Statement of Financial Position.

**Compilation of the Pro Forma Historical Statement of Financial Position** *(Continued)*

The purpose of the compilation of the Pro Forma Historical Statement of Financial Position being included in the Scheme Booklet is solely to illustrate the impact of the Scheme on the unadjusted financial information of Mawson. Accordingly, we do not provide any assurance that the actual outcome of the Scheme would have been as presented.

**Directors' responsibility**

The directors of SXG are responsible for the preparation of the historical financial information and pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the historical financial information and include in the pro-forma historical information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro-forma historical financial information that are free from material misstatement, whether due to fraud or error.

**Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Accounting Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

**Conclusions**

*Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the respective financial information sections of the Scheme Booklet, and comprising:

1. the statutory historical financial reports for the years ended 31 May 2024 (FY24), 31 May 2023 (FY23) comprising:
  - a. the audited historical consolidated statements of financial position of both parties for FY23 and FY24.
  - b. the audited historical consolidated statements of profit or loss and other comprehensive income for FY23 and FY24 of SXG; and
  - c. the audited historical consolidated statement of cash flows for FY23 and FY24 of SXG.

...is not presented fairly, in all material aspects, in accordance with the stated basis of preparation, as described in the respective financial information sections of the Scheme Booklet.

**Conclusions** *(Continued)*

*Pro-forma historical financial information*

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Statement of Financial Position is not properly compiled on the basis stated in section 9.13 of the Scheme Booklet.

We have not audited or reviewed the historical financial information extracted from the annual financial statements of Mawson for the year ended 31 May 2024, and we do not express any opinion, or make any statement of negative assurance, as to whether the Pro Forma Historical Statement of Financial Position is prepared or presented fairly, in all material respects, in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and their accounting policies.

**Restriction on Use**

Without modifying our conclusions, we draw attention to the financial information section of the Scheme Booklet which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

William Buck has consented to the inclusion of this assurance report in the Scheme Booklet in the form and context in which it is included.

**Liability**

*Responsibility*

Consent to the inclusion of this Investigating Accountant's Report in the Scheme Booklet in the form and context in which it appears has been given but should not be taken as an endorsement of the Scheme or a recommendation by William Buck in favour of the Scheme by any shareholders SXG. At the date of this report our consent has not been withdrawn.

*General Advice Limitation*

This Report has been prepared and included in the Scheme Booklet to provide shareholders of SXG with general information only and does not take into account the objectives, financial situation or needs of any specific shareholders of SXG. It is not intended to take the place of professional advice and shareholders of SXG should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, shareholders of SXG should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

**Declaration of Interest**

William Buck does not have any interest in the outcome of the Scheme other than in the preparation of this Investigating Accountant's Report and participation in due diligence procedures for which normal professional fees will be received. William Buck is the auditor of SXG and from to time, William Buck also provides SXG with certain other professional services for which normal professional fees are received.

Yours faithfully



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**J.C. Luckins**  
Director

Dated in Melbourne, Australia this 11<sup>th</sup> day of November 2024

**Annexure C – Scheme**

# Scheme of Arrangement

**Southern Cross Gold Limited**

ACN 652 166 795

and

**Scheme Participants**

## SCHEME OF ARRANGEMENT

### Under section 411 of the Corporations Act

#### BETWEEN:

- (1) **Southern Cross Gold Limited** ABN 70 652 166 795 formed in Australia whose registered office is at C/- JM Corporate Services Level 21 459 Collins Street Melbourne VIC 3000 (**Target**); and
- (2) Each person registered as a holder of fully paid ordinary shares in the Target as at the Record Date, other than Bidder (**Scheme Participants**).

#### THE PARTIES AGREE AS FOLLOWS:

##### 1. DEFINITIONS AND INTERPRETATION

###### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**ASX Settlement Rules** means the ASX Settlement Operating Rules of ASX Settlement.

**Bidder** means Mawson Gold Limited (ARBN 681 229 854), a company formed in British Columbia, Canada, with registration number BC0689356.

**Bidder CDI** means a CHESS Depository Interest representing a beneficial interest in one Bidder Share, to be issued under the Scheme as Scheme Consideration.

**Bidder Share** means a common share in Bidder.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne, Victoria or Vancouver, British Columbia.

**Completion** means completion of the implementation of the Scheme on the Implementation Date.

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

**Court** means Supreme Court of New South Wales, or such other court of competent jurisdiction as the parties may agree in writing.

**Deed Poll** means the deed poll dated 4 November executed by Bidder substantially in the form of Annexure D of the Scheme Booklet or as otherwise agreed by Bidder and Target under which Bidder covenants in favour of each Scheme Participant to perform its obligations under this 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, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

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

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any “security interest” as defined in sections 12(1) or 12(2) of the PPSA or any agreement to create any of them or allow them to exist.

**End Date** means 30 December 2024, subject to any extension to that date made under the terms of the Scheme Implementation Agreement.

**Excluded Shareholder** means Bidder.

**Implementation Date** means the fifth Business Day following the Record Date or such other date as the parties agree in writing.

**Ineligible Overseas Shareholder** means a Target Shareholder:

- (a) who is (or is acting on behalf of) a resident of a jurisdiction other than Australia, a Permitted Jurisdiction, and their respective external territories; or
- (b) whose address shown in the Register is a place outside Australia, a Permitted Jurisdiction, and their respective external territories,

unless Bidder and Target jointly determine that it is lawful and not unduly onerous and not unduly impracticable to issue that Target Shareholder with Scheme Consideration when the Scheme becomes Effective and it is lawful for that Target Shareholder to participate in the Scheme by the law of such other place as a Target Shareholder may be resident or located.

**Ineligible Overseas Shareholder Sale Facility** means the facility to be conducted in accordance with clause 6.4.

**New Bidder Shares** means Bidder Shares to be issued under the Scheme as Scheme Consideration.

**Permitted Jurisdiction** means New Zealand, Canada, Hong, Kong, Switzerland, European Union (Germany and Luxembourg), Liechtenstein, Singapore, United States of America and the United Kingdom.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Record Date** means 7.00 pm on the second Business Day following the Effective Date, or any other date (after the Effective Date) agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.

**Register** means the register of members of Target.

**Registered Address** means, in relation to a Target Shareholder, the address shown in the Register.

**Scheme** means this scheme of arrangement between Target and Scheme Participants under which all of the Scheme Shares will be transferred to Bidder under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with clause 11 of this Scheme.

**Scheme Booklet** means the information prepared in accordance with the Scheme Implementation Agreement and agreed by the parties (acting reasonably) to be approved by the Court and despatched to Scheme Participants in relation to the Scheme.

**Scheme Consideration** in relation to a Scheme Participant means the number of Bidder CDIs or New Bidder Shares (as applicable) to be issued to the Scheme Participant as described in clause 6.2.

**Scheme Implementation Agreement** means the scheme implementation agreement dated 30 July 2024 between Target and Bidder under which, amongst other things, Target has agreed to propose this Scheme to Target Shareholders, and each of Bidder and Target has agreed to take certain steps to give effect to this Scheme.

**Scheme Meeting** means the meeting of Target Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider the Scheme.

**Scheme Participant** means each Target Shareholder as at the Record Date (taking into account registration of all registrable transfers and transmission applications received at Target' share registry by the Record Date) other than an Excluded Shareholder.

**Scheme Record Date** means 7.00pm on Wednesday 18 December 2024 (or such other Business Day as the parties agree in writing).

**Scheme Share** means a Target Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Target Shares issued on or before the Record Date.

**Scheme Share Transfer** means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Second Court Date** means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

**Target Share** means each fully paid ordinary share in Target.

**Target Shareholder** means each person entered in the Register as a holder of Target Shares, other than Excluded Shareholders.

**TSXV** means TSX Venture Exchange.

## 1.2 **General interpretation**

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (e) a reference to "person" includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to time in Sydney, Australia;

- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (l) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (m) if a party must do something under this document on or by a given day and it is done after 5.00 pm on that day, it is taken to be done on the next day; and
- (n) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

## 2. **PRELIMINARY**

### 2.1 **Target**

Target is:

- (a) A public company limited by shares;
- (b) incorporated in Australia and registered in Victoria; and
- (c) admitted to the official list of the ASX and Target Shares are officially quoted on the ASX.

### 2.2 **Bidder**

Bidder is:

- (a) a company incorporated and registered in British Columbia, Canada; and
- (b) listed on the TSXV.

### 2.3 **If Scheme becomes Effective**

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to Bidder, Target will procure Bidder to provide the Scheme Consideration to each Scheme Participant in accordance with the terms of this Scheme;
- (b) all Scheme Shares will be transferred to Bidder on the Implementation Date; and
- (c) Target will enter the name of Bidder in the Register in respect of all Scheme Shares transferred to Bidder in accordance with the terms of this Scheme.

### 2.4 **Scheme Implementation Agreement**

Target and Bidder have agreed by executing the Scheme Implementation Agreement to implement the terms of this Scheme.

## 2.5 **Deed Poll**

- (a) Bidder has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration.
- (b) Target undertakes in favour of each Scheme Participant to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Participants.

## 3. **CONDITIONS PRECEDENT**

### 3.1 **Conditions precedent to Scheme**

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00 am on the Second Court Date, the Deed Poll not having been terminated;
- (b) as at 8.00 am on the Second Court Date, all of the conditions precedent in clause 2.1 of the Scheme Implementation Agreement having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement, other than the conditions in clauses 3.1(c) (Court approval of Scheme) and 3.1(d) (Order lodged with ASIC);
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Target and Bidder having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) lodgement with ASIC of an office copy of the order of the Court approving the Scheme pursuant to section 411(10) of the Corporations Act; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

### 3.2 **Conditions precedent and operation of clause 5**

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

### 3.3 **Certificate in relation to conditions precedent**

- (a) Target and Bidder must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c), 3.1(d) and 3.1(e) of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.
- (b) The certificate referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c), 3.1(d) and 3.1(e) of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

## 4. **SCHEME**

### 4.1 **Effective Date**

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

#### 4.2 **End Date**

This Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date.

### 5. **IMPLEMENTATION OF SCHEME**

#### 5.1 **Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(d) and 3.1(e) of this Scheme) are satisfied, Target must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 4.00 pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Bidder and Target agree in writing.

#### 5.2 **Transfer and registration of Target Shares**

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clause 6 of this Scheme and Bidder having provided Target with written confirmation of the provision of the Scheme Consideration:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Participant (other than acts performed by Target as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:
  - (i) Target delivering to Bidder a duly completed and executed Scheme Share Transfer executed on behalf of the Scheme Participants; and
  - (ii) Bidder duly executing the Scheme Share Transfer and delivering it to Target for registration; and
- (b) as soon as practicable after receipt of the duly executed Scheme Share Transfer, Target must enter the name of Bidder in the Register in respect of all Scheme Shares transferred to Bidder in accordance with the terms of this Scheme.

#### 5.3 **Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.

#### 5.4 **Title and rights in Scheme Shares**

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, Bidder will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Target of Bidder in the Register as the holder of the Scheme Shares.

#### 5.5 **Scheme Participants' agreements**

Under this Scheme, each Scheme Participant agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme.

## 5.6 **Warranty by Scheme Participants**

Each Scheme Participant warrants to Bidder and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances or any other third party interest or restriction on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Bidder under the Scheme.

## 5.7 **Transfer free of Encumbrances**

To the extent permitted by law, all Target Shares (including any rights and entitlements attaching to those shares) which are transferred to Bidder under this Scheme will, at the date of the transfer of them to Bidder, vest in Bidder free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

## 5.8 **Nomination of acquirer subsidiary**

If Bidder nominates a Bidder Nominee (as defined in clause 4.3 of the Scheme Implementation Agreement) to acquire Target Shares under the Scheme references to the transfer of Scheme Shares to Bidder and the entering of Bidder into the Register, will be read as references to Bidder Nominee.

## 6. **SCHEME CONSIDERATION**

### 6.1 **Issue of consideration under the Scheme**

On the Implementation Date, Target must procure that, in consideration for the transfer to Bidder of the Target Shares, Bidder issues to the Scheme Participants (or to the nominee in the case of Ineligible Overseas Shareholders, in accordance with clause 6.4) the Scheme Consideration in accordance with this clause 6.

### 6.2 **Scheme Consideration**

- (a) In consideration of the Scheme Participants transferring each of their Scheme Shares to Bidder at Completion, Bidder will, on the Implementation Date and immediately prior to the transfer of the Scheme Shares to Bidder, issue to each Scheme Participant (other than each Ineligible Overseas Shareholder) either:
  - (i) one Bidder CDI; or
  - (ii) upon election by a Scheme Participant in accordance with the procedure set out in the Scheme Booklet, one New Bidder Share,in exchange for every one Scheme Share held by the Scheme Participant.
- (b) Where a Scheme Participant would otherwise be entitled to a fraction of a Bidder CDI or New Bidder Share as part of its Scheme Consideration, the Bidder CDI or New Bidder Share entitlement will be rounded to the nearest whole number.

### 6.3 **Scheme Participants' agreements**

Under this Scheme, each Scheme Participant (and the nominee on behalf of the Ineligible Overseas Shareholders) irrevocably:

- (a) agrees to become a shareholder of Bidder, to have their name entered in the Bidder register, accepts the Scheme Consideration issued to them and agrees to be bound by the Bidder's charter documents;
- (b) agrees and acknowledges that the issue of Scheme Consideration in accordance with clause 6.2 or the payment under clause 6.4 (as applicable) constitutes satisfaction of all that person's entitlements under this Scheme;
- (c) acknowledges that the Scheme binds Target and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting); and
- (d) consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

#### 6.4 **Ineligible Overseas Shareholder Sale Facility**

Where a Scheme Participant is an Ineligible Overseas Shareholder, each Ineligible Overseas Shareholder authorises Bidder to:

- (a) issue to a nominee appointed by Bidder any Scheme Consideration to which an Ineligible Overseas Shareholder would otherwise be entitled (**Relevant Scheme Consideration**);
- (b) procure, as soon as reasonably practicable after the Implementation Date, and in any event no more than 30 days after the Implementation Date, that the nominee:
  - (i) sells or procures the sale of all of the Relevant Scheme Consideration issued to the nominee pursuant to clause 6.4(a), in the ordinary course of trading on TSXV (in the case of New Bidder Shares) or ASX (in the case of Bidder CDIs) at its discretion and at such price as the nominee determines in good faith; and
  - (ii) remits to Bidder the proceeds of sale (free of any applicable brokerage, stamp duty and other selling costs, taxes and charges, which are to be paid by Bidder); and
- (c) promptly after the last sale of the Bidder CDIs or New Bidder Shares constituting the Relevant Scheme Consideration in accordance with clause 6.4(b)(i), pay to each Ineligible Overseas Shareholder an amount equal to the proportion of the net proceeds of sale received by Bidder under clause 6.4(b)(ii) to which that Ineligible Overseas Shareholder is entitled, in full satisfaction of their entitlement to the Relevant Scheme Consideration.

Neither Target nor Bidder make any assurance or representation as to the amount of proceeds of sale to be received by Ineligible Overseas Shareholders under the Ineligible Overseas Shareholder Sale Facility. Both Target and Bidder expressly disclaim any fiduciary duty to the Ineligible Overseas Shareholders which may arise in connection with the Ineligible Overseas Shareholder Sale Facility.

#### 6.5 **Shares to rank equally**

Bidder covenants in favour of Target (in its own right and on behalf of the Scheme Participants) that:

- (a) the New Bidder Shares underlying the Bidder CDIs and the New Bidder Shares, which in each case are issued as part of the Scheme Consideration, will rank equally in all respects with all existing Bidder Shares;
- (b) it will do everything reasonably necessary to ensure that trading in the Bidder CDIs and New Bidder Shares which are issued as part of the Scheme Consideration commences

on ASX or TSXV (respectively) no later than the first Business Day after the Implementation Date; and

- (c) on issue, each Bidder CDI, New Bidder Share underlying the Bidder CDIs, and New Bidder Share which are issued as part of the Scheme Consideration will be fully paid and free from any Encumbrance.

## 6.6 **Joint holders**

In the case of Target Shares held in joint names:

- (a) any Scheme Consideration to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the Bidder register of members must take place in the same order as the holders' names appear in the Register; and
- (b) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

## 7. **DEALINGS IN SCHEME SHARES**

### 7.1 **Determination of Scheme Participants**

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by Target if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

### 7.2 **Register**

Target must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before the Record Date.

### 7.3 **No disposals after Effective Date**

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) Target will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Effective Date (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title).

### 7.4 **Maintenance of Target Register**

For the purpose of determining entitlements to the Scheme Consideration, Target will maintain the Register in accordance with the provisions of this clause 7.4 until the Scheme Consideration has been issued to the Scheme Participants and Bidder has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

## 7.5 **Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to Bidder contemplated in clauses 5.2 and 7.4 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Bidder and its successors in title). After the Record Date, each entry current on the Register as at the Record Date (other than entries in respect of Bidder or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

## 7.6 **Details of Scheme Participants**

As soon as practicable and in any event within 2 Business Days after the Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date, are available to Bidder in such form as Bidder reasonably requires.

## 7.7 **Quotation of Target Shares**

Suspension of trading on ASX in Target Shares will occur from the close of trading on ASX on the Effective Date.

## 7.8 **Termination of quotation of Target Shares**

After the Scheme has been fully implemented, Target will apply:

- (a) for termination of the official quotation of Target Shares on ASX; and
- (b) to have itself removed from the official list of the ASX.

## 8. **POWER OF ATTORNEY**

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Target and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Scheme Share Transfer;
- (b) enforcing the Deed Poll against Bidder;
- (c) in the case of Scheme Shares in a CHESS holding:
  - (i) causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Rules so as to transfer the Scheme Shares held by the Scheme Participant from the CHESS sub-register of Target to the issuer sponsored sub-register operated by Target or its share registry at any time after Bidder has provided the Scheme Consideration which is due to Scheme Participants; and
  - (ii) completing and signing on behalf of Scheme Participants any required form of transfer of Scheme Shares.

and Target accepts such appointment.

## 9. **BENEFICIAL ENTITLEMENT TO SCHEME SHARES**

Immediately from the time that Bidder has satisfied its obligations under clause 6, and pending registration by Target of Bidder in the Register as the holder of the Scheme Shares:

- (a) Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme; and
- (b) each Scheme Participant, without the need for any further act by that Scheme Participant:
  - (i) irrevocably appoints Bidder as its attorney and agent (and directs Bidder in each capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable, its corporate representative to attend shareholder meetings of Target, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Participant and sign any shareholders' resolution of Target;
  - (ii) undertakes not to otherwise attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative;
  - (iii) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
  - (iv) acknowledges and agrees that in exercising the powers referred to in this clause 9, any director, officer, secretary or agent nominated by Bidder may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

## 10. NOTICES

### 10.1 Deemed receipt

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

- (a) must be in legible writing and in English;
- (b) in respect of notices to Target, must be addressed in accordance with the relevant details below, or as specified to the sender by Target by notice;

Address: C/- JM Corporate Services  
Level 21, 459 Collins Street Melbourne VIC 3000  
Email: [jm@southerncrossgold.com.au](mailto:jm@southerncrossgold.com.au)  
Attention: Justin Mouchacca

Copy to: Guy Sanderson, Hamilton Locke  
Address: Level 42, Australia Square  
264 George Street, Sydney NSW 2000  
Email: [guy.sanderson@hamiltonlocke.com.au](mailto:guy.sanderson@hamiltonlocke.com.au)

- (c) in respect of notices to Scheme Participants, may be sent to the mailing address or email address recorded in respect of that Scheme Participant in the Register;
- (d) is regarded as being given by the Scheme Participant and received by Target:
  - (i) in the case of personal delivery, on the actual day of delivery;
  - (ii) if sent by mail, the day on which the notice is received by Target; and
  - (iii) if sent by e-mail, when the party sending the email receives notification that the e-mail was successfully transmitted to the receiving party.
- (e) is regarded as being given by Target and received by a Scheme Participant:
  - (i) in the case of personal delivery, on the actual day of delivery;

- (ii) if sent by mail, one Business Day from and including the day of posting; and
- (iii) if sent by e-mail, when the email is sent.

## 10.2 **Accidental omission**

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

## 11. **GENERAL**

### 11.1 **Variations, alterations and conditions**

Target may, with the consent of Bidder (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

### 11.2 **Further action by Target**

Target will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

### 11.3 **Authority and acknowledgement**

Each of the Scheme Participants:

- (a) irrevocably consents to Target and Bidder doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Target and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

### 11.4 **No liability when acting in good faith**

Without prejudice to the parties' rights under the Scheme Implementation Agreement, neither Target nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

### 11.5 **Stamp duty**

Bidder will pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

## 12. **GOVERNING LAW**

### 12.1 **Governing law and jurisdiction**

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of Victoria, Australia.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that state, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document.

**Annexure D – Deed Poll**

**Deed Poll**

**Mawson Gold Limited**

a British Columbia corporation (Registration number BC0689356)

in favour of

**Scheme Participants**

**THIS DEED POLL** is made on 4 November 2024

**BY:**

- (1) **Mawson Gold Limited** (registration number BC0689356) formed in British Columbia, Canada whose registered office is at 1305 - 1090 West Georgia Street. Vancouver, BC, Canada, V6E 3V7 (**Bidder**);  
  
in favour of
- (2) Each person registered as a holder of fully paid ordinary shares in Southern Cross Gold Limited (ACN 652 166 795) (**Target**) as at the Record Date, other than Bidder (the **Scheme Participants**).

**RECITALS:**

- (A) Target and Bidder have entered into the Scheme Implementation Agreement.
- (B) The effect of the Scheme will be that all Scheme Shares will be transferred to Bidder.
- (C) Bidder has agreed (amongst other things) to provide the Scheme Consideration to the Scheme Participants, subject to the satisfaction of certain conditions.
- (D) Bidder is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations in relation to the Scheme.

**THE PARTIES AGREE AS FOLLOWS:**

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

Unless the contrary intention appears, these meanings apply:

**Scheme** means the proposed scheme of arrangement between Target and Scheme Participants under which all the Scheme Shares will be transferred to Bidder under Part 5.1 of the Corporations Act, substantially in the form of Annexure A to this deed poll, or as otherwise agreed by Bidder and Target, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act, to the extent they are approved in writing by Target and Bidder in accordance with clause 10 of the Scheme.

**Scheme Implementation Agreement** means the scheme implementation agreement dated 30 July 2024 between Target and Bidder under which, amongst other things, Target has agreed to propose the Scheme to Target Shareholders, and each of Bidder and Target has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme or the Scheme Implementation Agreement, as applicable.

1.2 **General interpretation**

Clause 1.2 of the Scheme applies to this document.

1.3 **Nature of deed poll**

Bidder acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and

- (b) under the Scheme, each Scheme Participant irrevocably appoints Target and each of its directors and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against the Bidder.

## **2. CONDITIONS PRECEDENT AND TERMINATION**

### **2.1 Conditions precedent**

Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

### **2.2 Termination**

Bidder's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms.

### **2.3 Consequences of termination**

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Bidder is released from its obligations to further perform this document except those obligations contained in clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Bidder in respect of any breach of this document which occurs before it is terminated.

## **3. PERFORMANCE OF OBLIGATIONS GENERALLY**

Bidder will comply with its obligations under the Scheme Implementation Agreement and do all acts and things necessary or desirable on its part to give full effect to the Scheme.

## **4. SCHEME CONSIDERATION**

### **4.1 Compliance with Scheme obligations generally**

Subject to clause 2, Bidder covenants in favour of Scheme Participants to observe and perform the steps attributed to it under, and otherwise to comply with, the Scheme as if it were named as a party to the Scheme and do all acts and things necessary to give effect to the Scheme.

### **4.2 Provision of Scheme Consideration**

- (a) Subject to clause 2, Bidder undertakes that it will on the Implementation Date, issue to each Scheme Participant (or to a nominee appointed by Bidder in respect of Ineligible Overseas Shareholders) the Scheme Consideration in accordance with clause 6 of the Scheme.
- (b) The Bidder CDIs, New Bidder Shares underlying the Bidder CDIs, and New Bidder Shares to be issued under the Scheme (as applicable) will be validly issued and fully paid up, free from Encumbrances, and will rank equally in all respect with all other Bidder Shares or Bidder CDIs (as applicable) on issue as at the Implementation Date.

## **5. REPRESENTATIONS AND WARRANTIES**

Bidder represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
  - (ii) any law binding on or applicable to it or its assets; or
  - (iii) any Encumbrance or document binding on or applicable to it;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** is not insolvent (within the meaning given in section 95A(2) of the Corporations Act).

## 6. CONTINUING OBLIGATIONS

This document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

## 7. COSTS

### 7.1 Costs

If the Scheme becomes Effective, Bidder agrees to pay all costs in respect of the Scheme (including, in connection with the transfer of Scheme Shares to Bidder in accordance with the terms of the Scheme) except for amounts covered by clause 7.2.

### 7.2 Stamp duty and registration fees

Bidder:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 7.2(a).

## 8. NOTICES

### 8.1 General

- (a) Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.
- (b) Any Notice to Bidder by a Scheme Participant must be addressed in accordance with the relevant details below and must be served by mail or hand delivery.

Address: 1305 - 1090 West Georgia Street. Vancouver, BC, Canada, V6E 3V7  
Attention: Nick DeMare – CFO  
Copy to: David Holland, Hogan Lovells  
Address: Level 17, 20 Martin Place, Sydney NSW 2000

- (c) Any Notice by Bidder by a Scheme Participant may be sent in the same manner as permitted by the Scheme.

### 8.2 Communications by post

Subject to clause 8.3, where a Notice referred to in this document is sent by post to Bidder, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Bidder's specified address.

### 8.3 After hours communications

If a Notice is given:

- (a) after 5.00pm in the place of receipt; or
  - (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,
- it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

## 9. GENERAL

### 9.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the proposed variation occurs on or before the First Court Date (as that term is defined in the Scheme Implementation Agreement) and the variation is agreed to by Target and Bidder in writing; and
- (b) the proposed variation occurs after the First Court Date and the variation is agreed to by Target and Bidder in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

### 9.2 Partial exercising of rights

Unless this document expressly states otherwise, if Bidder does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

9.3 **Remedies cumulative**

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

9.4 **Assignment or other dealings**

Bidder and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Bidder and Target.

9.5 **Further steps**

Bidder agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant) necessary or expedient to give full effect to this document and the transactions contemplated by it.

10. **GOVERNING LAW AND JURISDICTION**

This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of Victoria, Australia. Bidder submits to the non-exclusive jurisdiction of the courts of that State, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document.

**EXECUTED** as a deed poll.

**EXECUTED** by **Bidder**, pursuant to its constituent documents and laws of its place of incorporation:

A handwritten signature in black ink, appearing to read 'Mariana Bermudez', written over a horizontal line.

Mariana Bermudez, Corporate Secretary

## **Annexure E – Notice of Scheme Meeting**

## Southern Cross Gold Limited

ACN 652 166 795

Notice is hereby given that by an order of the Supreme Court of New South Wales made on Tuesday 12 November 2024 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) a meeting of the holders of ordinary shares in Southern Cross Gold Limited ACN 652 166 795 (**SXG**) will be held on Friday 13 December 2024 at 11.00 am (Melbourne time) at William Buck, Level 20, 181 William Street, Melbourne Vic 3000.

Any changes to the dates and the conduct of the Scheme Meeting will be announced by SXG to ASX.

### Purpose of meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without any modifications, alterations or conditions agreed in writing between SXG and Mawson Gold Limited, a company formed in British Columbia, Canada, with registration number BC0689356 (**Mawson**) and approved by the Court or any modifications, alterations or conditions as are thought just by the Court to which SXG and Mawson agree in writing) to be made between SXG and SXG's ordinary shareholders (other than Mawson) (**Scheme**), to effect the acquisition of SXG by Mawson.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the *Corporations Act*) which, together with this Notice of Meeting, forms part of this Scheme Booklet.

### Business of the meeting

#### Resolution – Approval of the Scheme of Arrangement

To consider, and if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the *Corporations Act*:

“That, pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth):

- (a) the scheme of arrangement proposed between Southern Cross Gold Limited and the holders of its fully paid ordinary shares (other than Mawson) (**Scheme**), the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Meeting forms part) is approved (with or without any modifications, alterations or conditions agreed in writing between SXG and Mawson and approved by the Court or any modifications, alterations or conditions as thought just by the Court to which SXG and Mawson agree in writing); and
- (b) the directors of SXG are authorised, subject to the terms of the Scheme Implementation Agreement:
  - (i) to agree to any modifications, alterations or conditions with Mawson;
  - (ii) to agree to any modifications, alterations or conditions as are thought just by the Court; and
  - (iii) subject to approval of the Scheme by the Court, to implement the Scheme with any such modifications, alterations or conditions.”

By order of the Board



Justin Mouchacca, Company Secretary  
Southern Cross Gold Limited

12 November 2024

