

## NEWS RELEASE

TSX: SXGC | ASX: SX2 | OTCQX: SXGCF



AUGUST 29, 2025

### Consolidated Financial Statements and Management's Discussion & Analysis for the Year Ended May 31, 2025

#### Southern Cross Gold Consolidated Ltd.

ARBN 681 229 854

Please find attached for release to the market, Southern Cross Gold Consolidated Ltd.'s Annual Financial Statements for the Year Ended May 31, 2025, prepared in accordance with National Instrument 51-102 Continuous Disclosure Obligations and NI 51-102F1 Management's Discussion and Analysis, issued by the Canadian Securities Administrators, for lodgment on the Canadian System for Electronic Document Analysis and Retrieval + (SEDAR +).

- Ends -

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

For further information, please contact:

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**SOUTHERN CROSS GOLD CONSOLIDATED LTD.**

*(formerly Mawson Gold Limited)*

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
MAY 31, 2025 AND 2024

*(Expressed in Canadian Dollars)*

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## Independent Auditor's Report

To the Shareholders of Southern Cross Gold Consolidated Ltd.

### Opinion

We have audited the consolidated financial statements of Southern Cross Gold Consolidated Ltd. (the “Company”), which comprise the consolidated statements of financial position as at May 31, 2025 and May 31, 2024, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2025 and May 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended May 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Assessment of Impairment Indicators of Exploration and Evaluation Assets

#### Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. Impairment indicators were identified by management for the Skelleftea North project. During the year ended May 31, 2025, the Company discontinued the operations of the project and recorded an impairment charge of \$ 361,289 for all capitalized exploration and evaluation costs incurred to May 31, 2025. No impairment indicators were identified by management for the Sunday Creek and Redcastle projects as of May 31, 2025.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at May 31, 2025, was \$ 74,687,028, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 3 and Note 8 to the consolidated financial statements.

*How the Key Audit Matter Was Addressed in the Audit*

Our approach to addressing the matter included the following procedures, among others:

Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained mineral claim and permit listings held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis and the other information in the Annual Report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gordon Cummings.

Vancouver, B.C.  
August 28, 2025

***"D&H Group LLP"***

**Chartered Professional Accountants**

**SOUTHERN CROSS GOLD CONSOLIDATED LTD.** *(formerly Mawson Gold Limited)*  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Expressed in Canadian Dollars)*

	Note	May 31, 2025 \$	May 31, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		151,212,676	15,497,519
Amount receivable		83,392	-
GST/VAT receivable		388,315	238,188
Prepaid expenses and other assets		119,392	129,195
<b>Total current assets</b>		<b>151,803,775</b>	<b>15,864,902</b>
<b>Non-current assets</b>			
Investments	6	773,797	492,506
Property, plant and equipment	7	16,539,752	3,256,581
Exploration and evaluation assets	8	74,687,028	20,522,968
Right of use assets	9	1,263,617	202,759
Bonds		95,985	69,545
<b>Total non-current assets</b>		<b>93,360,179</b>	<b>24,544,359</b>
<b>TOTAL ASSETS</b>		<b>245,163,954</b>	<b>40,409,261</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		2,759,332	1,380,052
Current portion of lease liabilities	9	197,699	100,124
<b>Total current liabilities</b>		<b>2,957,031</b>	<b>1,480,176</b>
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	9	1,066,806	103,519
<b>TOTAL LIABILITIES</b>		<b>4,023,837</b>	<b>1,583,695</b>
<b>EQUITY</b>			
Share capital	10	658,153,333	97,678,699
Share-based payments reserve		13,973,409	9,382,338
Equity attributable to parent		-	11,947,523
Foreign currency translation reserve		(2,086,628)	(602,677)
Deficit		(428,899,997)	(96,569,072)
Equity attributable to Company shareholders		241,140,117	21,836,811
Non-controlling interest	11	-	16,988,755
<b>TOTAL EQUITY</b>		<b>241,140,117</b>	<b>38,825,566</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>245,163,954</b>	<b>40,409,261</b>

**Nature of Operations and Name Change** - see Note 1

**Events after the Reporting Period** - Note 18

These consolidated financial statements were approved for issue by the Board of Directors on August 28, 2025 and are signed on its behalf by:

/s/ David Henstridge  
David Henstridge  
Director

/s/ Michael Hudson  
Michael Hudson  
Director

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

**SOUTHERN CROSS GOLD CONSOLIDATED LTD.** *(formerly Mawson Gold Limited)*  
**CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**  
*(Expressed in Canadian Dollars)*

	Note	Year Ended	
		May 31, 2025 \$	May 31, 2024 \$
<b>Expenses</b>			
Accretion of interest on lease liabilities	9	46,278	11,478
Administration and corporate costs		2,936,201	2,492,110
Depreciation and amortization	7,9	262,824	156,129
Salaries and benefits		1,093,088	887,078
Share-based compensation	10	1,572,732	2,341,645
		<u>5,911,123</u>	<u>5,888,440</u>
<b>Loss from continuing operations before other items</b>		<u>(5,911,123)</u>	<u>(5,888,440)</u>
<b>Other items</b>			
Interest income		375,882	172,807
Foreign exchange		166,306	(184)
Impairment of exploration and evaluation assets	8	(361,289)	(919,192)
Corporate restructuring costs	4	(2,625,076)	-
Unrealized (loss) gain on investments	6(b)	281,291	(1,283,173)
		<u>(2,162,886)</u>	<u>(2,029,742)</u>
<b>Loss from continuing operations</b>		<u>(8,074,009)</u>	<u>(7,918,182)</u>
<b>Loss from discontinued operations</b>	5	<u>-</u>	<u>(39,456,229)</u>
<b>Net loss for the year</b>		<u>(8,074,009)</u>	<u>(47,374,411)</u>
<b>Other comprehensive loss</b>			
Currency translation adjustment		<u>(1,483,951)</u>	<u>(344,212)</u>
<b>Comprehensive loss for the year</b>		<u>(9,557,960)</u>	<u>(47,718,623)</u>
<b>Net loss attributable to:</b>			
Shareholders of the Company		(6,658,894)	(43,818,763)
Non-controlling interest		<u>(1,415,115)</u>	<u>(3,555,648)</u>
<b>Net loss for the year</b>		<u>(8,074,009)</u>	<u>(47,374,411)</u>
<b>Comprehensive loss attributable to:</b>			
Shareholders of the Company		(8,142,845)	(43,989,494)
Non-controlling interest		<u>(1,415,115)</u>	<u>(3,729,129)</u>
<b>Comprehensive loss for the year</b>		<u>(9,557,960)</u>	<u>(47,718,623)</u>
<b>Loss per common share - see Note 12</b>			

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



**SOUTHERN CROSS GOLD CONSOLIDATED LTD.** (formerly Mawson Gold Limited)  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)

Year Ended May 31, 2025								
	Share Capital		Share-Based Payments Reserve \$	Equity Attributable to Parent \$	Foreign Currency Translation Reserve \$	Deficit \$	Non-controlling Interest \$	Total Equity \$
	Number of Shares*	Amount \$						
<b>Balance at May 31, 2024</b>	96,293,365	97,678,699	9,382,338	11,947,523	(602,677)	(96,569,072)	16,988,755	38,825,566
Common shares issued for:								
- private placement	31,800,078	143,100,351	-	-	-	-	-	143,100,351
- share options	4,522,058	1,675,385	-	-	-	-	-	1,675,385
- RSUs	50,000	95,111	-	-	-	-	-	95,111
- corporate restructuring	125,041,031	418,887,454	-	(19,978,827)	-	(325,672,031)	(26,026,888)	47,209,708
- finder's fees	335,116	1,508,022	-	-	-	-	-	1,508,022
Share issue costs		(4,829,990)						(4,829,990)
Transfer on exercise of:								
- share options	-	694,681	(694,681)	-	-	-	-	-
- RSUs	-	-	(95,111)	-	-	-	-	(95,111)
Share-based compensation:								
- transferred on closing of SIA			3,872,260					3,872,260
- ESO	-	-	26,880	-	-	-	64,129	91,009
- RSUs			326,723					326,723
- share options			1,155,000					1,155,000
Currency translation adjustment	-	-	-	-	(1,483,951)	-		(1,483,951)
Distribution of capital	-	(656,380)	-	-	-	-	-	(656,380)
Net loss for the year	-	-	-	-	-	(6,658,894)	(1,415,115)	(8,074,009)
Change in ownership interest in subsidiary	-	-	-	8,031,304	-	-	10,389,119	18,420,423
<b>Balance at May 31, 2025</b>	<b>258,041,648</b>	<b>658,153,333</b>	<b>13,973,409</b>	<b>-</b>	<b>(2,086,628)</b>	<b>(428,899,997)</b>	<b>-</b>	<b>241,140,117</b>

  

Year Ended May 31, 2024								
	Share Capital		Share-Based Payments Reserve \$	Equity Attributable to Parent \$	Foreign Currency Translation Reserve \$	Deficit \$	Non-controlling Interest \$	Total Equity \$
	Number of Shares*	Amount \$						
<b>Balance at May 31, 2023</b>	93,016,922	93,993,681	10,683,524	8,268,857	(431,946)	(52,750,309)	13,870,387	73,634,194
Common shares issued for:								
- share options	2,929,375	2,218,830	-	-	-	-	-	2,218,830
- warrants	347,068	165,002	-	-	-	-	-	165,002
Transfer on exercise of:								
- share options	-	1,235,185	(1,235,185)	-	-	-	-	-
- warrants	-	66,001	(66,001)	-	-	-	-	-
Share-based compensation:								
- share options	-	-	-	-	-	-	2,341,645	2,341,645
Currency translation adjustment	-	-	-	-	(170,731)	-	(173,481)	(344,212)
Net loss for the year	-	-	-	-	-	(43,818,763)	(3,555,648)	(47,374,411)
Change in ownership interest in subsidiary	-	-	-	3,678,666	-	-	4,505,852	8,184,518
<b>Balance at May 31, 2024</b>	<b>96,293,365</b>	<b>97,678,699</b>	<b>9,382,338</b>	<b>11,947,523</b>	<b>(602,677)</b>	<b>(96,569,072)</b>	<b>16,988,755</b>	<b>38,825,566</b>

\* The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a one new for 3.169432 old basis effective January 10, 2025. See also Notes 4 and 10(b).

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

**SOUTHERN CROSS GOLD CONSOLIDATED LTD.** (formerly Mawson Gold Limited)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	<b>Year Ended May 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net loss for the year	(8,074,009)	(47,374,411)
Adjustments for:		
Depreciation and amortization	262,824	156,129
Foreign exchange	(2,481,140)	187,212
Impairment of exploration and evaluation assets	361,289	919,192
Share-based compensation	1,572,732	2,341,645
Accretion of interest on lease liabilities	46,278	11,478
Unrealized (gain) loss on investments	(281,291)	1,283,173
Loss from discontinued operations	-	39,456,229
Changes in non-cash working capital items:		
Amount receivable	(83,392)	-
GST/VAT receivable	(150,127)	(17,792)
Prepaid expenses and deposits	9,803	(37,435)
Accounts payable and accrued liabilities	750,933	24,758
Cash used in continuing operations activities	(8,066,100)	(3,049,822)
Cash used in discontinued operations activities	-	(216,812)
<b>Net cash used in operating activities</b>	<b>(8,066,100)</b>	<b>(3,266,634)</b>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(12,373,607)	(11,038,994)
Additions to property, plant and equipment	(2,470,415)	(1,198,799)
Additions to bonds	(26,520)	(52,257)
Redemption of bonds	-	28,472
Proceeds from disposition of Mawson OY	-	6,500,000
Cash acquired from acquisition of subsidiary	16,937,494	-
Cash relinquished on disposition of Mawson OY	-	(92,277)
Cash relinquished under SUA arrangement	(613,832)	-
Cash provided by (used in) continuing investing activities	1,453,120	(5,853,855)
Cash used in discontinued investing activities	-	(795,939)
<b>Net cash provided by (used in) investing activities</b>	<b>1,453,120</b>	<b>(6,649,794)</b>
<b>Financing activities</b>		
Issuance of common shares	144,775,736	2,383,832
Share issue costs	(3,321,968)	-
Payments on lease liabilities	(175,324)	(100,097)
Net proceeds from SXG AUS issuance of ordinary shares prior to SIA	1,482,929	8,184,518
Cash provided by continuing financing activities	142,761,373	10,468,253
Cash used in discontinued financing activities	-	(73,104)
<b>Net cash provided by financing activities</b>	<b>142,761,373</b>	<b>10,395,149</b>
<b>Effect of exchange rate changes on cash</b>	<b>(433,236)</b>	<b>338,366</b>
<b>Net change in cash and cash equivalents</b>	<b>135,715,157</b>	<b>817,087</b>
Cash and cash equivalents at beginning of year - continuing operations	15,497,519	14,665,374
Cash and cash equivalents at beginning of year - discontinued operations	-	15,058
	15,497,519	14,680,432
Less cash and cash equivalents at end of year - discontinued operations	-	-
<b>Cash and cash equivalents at end of year - continuing operations</b>	<b>151,212,676</b>	<b>15,497,519</b>

**Supplemental cash flow information - Note 16**

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

**SOUTHERN CROSS GOLD CONSOLIDATED LTD.** (formerly Mawson Gold Limited)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MAY 31, 2025 AND 2024**  
(Expressed in Canadian Dollars)

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**1. Nature of Operations and Name Change**

The Company was incorporated on March 10, 2004 under the provisions of the Company Act (British Columbia). The Company's common shares were previously listed and traded on the Toronto Stock Exchange ("TSX") under the symbol "MAW". On January 3, 2024 the Company delisted its common shares from the TSX and, on January 4, 2024, the common shares were listed on the TSX Venture Exchange ("TSXV") under the same symbol "MAW". In January 2025 the Company completed a reorganization resulting in the distribution of its uranium assets and merger with Southern Cross Gold Ltd. ("SXG AUS"). On January 10, 2025 the Company changed its name to Southern Cross Gold Consolidated Ltd. and its TSXV trading symbol to "SXGC". On January 15, 2025 the Company's common shares were listed on the Australian Stock Exchange ("ASX") under the symbol "SX2". See also Note 4. On July 2, 2025 the Company's common shares ceased to trade on the TSXV and began trading on the TSX under the same trading symbol, SXGC. On August 19, 2025 the Company's common shares commenced trading on the OTCQX under the trading symbol "SXGCF". The Company's executive office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7, Canada.

The Company is a resource company engaged in the acquisition and exploration of unproven mineral interests. As at May 31, 2025 the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

As at May 31, 2025 the Company had working capital of \$148,846,744 and management considers the Company has adequate resources to maintain its core operations, conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months.

**2. Basis of Preparation**

***Statement of Compliance***

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRI Committee ("IFRIC").

***Basis of Measurement***

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

***Discontinued Operations***

Effective October 30, 2023 the Company entered into an agreement to sell its Finnish subsidiary, Mawson Oy. The segment of Mawson Oy meets the criteria of a discontinued operation under IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*. This operating segment was not previously classified as held-for-sale or as discontinued operations. The comparative consolidated statements of comprehensive loss and cash flows have been restated to show the discontinued operations separately from continuing operations. See also Note 5.

***Details of the Group and Non-controlling Interest***

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

**SOUTHERN CROSS GOLD CONSOLIDATED LTD.** (formerly Mawson Gold Limited)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MAY 31, 2025 AND 2024**  
(Expressed in Canadian Dollars)

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**2. Basis of Preparation** (continued)

Non-controlling interest in the Company's less than wholly-owned subsidiary is classified as a separate component of equity. On initial recognition, non-controlling interests are measured at their proportionate share of the acquisition date fair value of identifiable net assets of the related subsidiary acquired by the Company. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

In December 2023 the Company completed the sale of its 100% owned subsidiary, Mawson Oy, as disclosed in Note 5. In January 2025 the Company completed a corporate restructuring in which SXG AUS became a 100% wholly-owned subsidiary, as disclosed in Note 4.

As at May 31, 2025 the significant subsidiaries of the Company are SXG AUS and Australian subsidiaries, incorporated in Australia and 100% owned.

**3. Material Accounting Policies**

***Critical Judgments and Sources of Estimation Uncertainty***

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Critical Judgments***

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Company's entities' functional currencies are the Canadian dollar and the Australian dollar, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

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**3. Material Accounting Policies (continued)**

- (iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- (v) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 14.

*Estimation Uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Depreciation expense is allocated based on assumed useful life of property, plant and equipment. Should the useful life differ from the initial estimate, an adjustment would be made in the statement of operations.
- (ii) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. As at May 31, 2025 and 2024 there were no decommissioning liabilities.
- (iii) The assessment of any impairment of exploration and evaluation assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2025 management made an impairment charge of \$361,289 (2024 - \$919,192) on certain of its exploration and evaluation assets, as described in Note 8.
- (iv) Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

*Cash and Cash Equivalents*

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution.

*Amounts Receivable*

Receivables are recognized initially at fair value and classified as amortized cost. Receivables are subsequently measured at amortized cost using the effective interest method, less expected credit losses. At each reporting date, the Company records a credit losses at an amount equal to the lifetime expected credit losses using a present value and probability-weighted model.

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**3. Material Accounting Policies (continued)**

***Accounts Payable and Accrued Liabilities***

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as amortized cost initially at fair value and are subsequently measured at amortized cost using the effective interest method.

***Exploration and Evaluation Assets***

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties, net of government assistance. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations.

***Government Assistance***

Amounts received or receivable resulting from government assistance programs, including grants, are recognized where there is reasonable assurance that the amount of government assistance will be received and that all attached conditions will be complied with. Government assistance is accounted for using the cost reduction approach whereby the amounts received or receivable each year are applied to reduce the cost of the related assets or related deferred expenditures or expenses.

***Property, Plant and Equipment***

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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**3. Material Accounting Policies (continued)**

Property, plant and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, at a rate of 20% - 50% for office furniture and equipment, field equipment and vehicles.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

***Leases***

The Company recognizes a right-of-use asset and a lease liability for its leases. The right-of-use asset is measured at cost and depreciated over its estimated useful life. At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. If the lease terms are subsequently changed, the present value of the lease liability is re-measured using the revised lease terms and applying the appropriate discount rate to the remaining lease payments. The Company recognizes the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in profit or loss. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

***Impairment of Assets***

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the price that would be received to sell an asset in an orderly transaction between market participants. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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**3. Material Accounting Policies (continued)**

***Decommissioning Provision***

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate and amount or timing of the underlying cash flows needed to settle the obligation. As at May 31, 2025 and 2024 the Company does not have any decommissioning obligations.

***Financial Instruments***

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit and loss ("FVTPL"); (ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

***Share Capital***

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

***Equity Financing***

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company adopted a residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the price reservation date, if applicable, or the announcement date. The balance, if any, is allocated to the attached share purchase warrants.



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**3. Material Accounting Policies** (continued)

***Share-Based Payment Transactions***

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

***Current and Deferred Income Taxes***

The tax expense comprises current and deferred tax. Tax is recognized separately in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

***Current Tax***

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Deferred Tax***

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax relating to items recognized directly in equity or other comprehensive income ("OCI") is recognized in equity or OCI and not in the statement of comprehensive loss.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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**3. Material Accounting Policies (continued)**

***Loss Per Share***

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share.

***Foreign Currency Translation***

***Functional and Presentation Currency***

The financial statements of each of the Company’s subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary’s functional currency. Each subsidiary’s functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar other than Southern Cross, where the functional currency is the Australian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. For foreign subsidiaries where the Canadian dollar is the functional currency, income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss. For Southern Cross, income and expenses are translated into Canadian dollars at the average exchange rate over the reporting period. Exchange differences are presented in other comprehensive loss and recognized in the foreign currency translation reserve.

***Foreign Currency Transactions***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

***Adoption of New Accounting Standards***

***Accounting Standards and Interpretations Issued but Not Yet Effective***

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

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

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**4. Corporate Restructuring**

On July 30, 2024 the Company entered into a definitive binding scheme implementation agreement (the “SIA”) with SXG AUS, its 48.7% owned subsidiary on the date of the SIA, to acquire all of the ordinary shares of SXG AUS (the “SXG AUS Shares”) that the Company did not already own, by way of a scheme of arrangement under the laws of Australia (the “SXG AUS Scheme”). Following completion of the SXG AUS Scheme on January 23, 2025, SXG AUS became a wholly owned subsidiary of the Company.

Under the terms of the SXG AUS Scheme:

- (i) on January 15, 2025, the Company completed the spin-out of the uranium assets and cash of \$613,832 held by its then wholly-owned subsidiary SUA Holdings Limited (“SUA”) and SUA’s wholly-owned subsidiary, Euro Canna Holdings Ltd. (“Euro Canna”) (the “SUA Arrangement”) under the Business Corporations Act (British Columbia). Pursuant to the SUA Arrangement, the Company distributed 100% of the common shares of SUA (the “SUA Shares”) held by it to shareholders of the Company of record as at January 10, 2025, on a pro rata basis. As a result, the Company shareholders also became shareholders of SUA and SUA and Euro Canna ceased to be subsidiaries of the Company. SUA became a reporting issuer in British Columbia and Alberta.

The transaction was recorded at carrying value. The carrying value of the net assets transferred pursuant to the SUA Agreement consisted of the following:

	\$
Cash	613,832
Exploration and evaluation assets	42,548
	<u>656,380</u>

- (ii) on January 10, 2025, the Company effected a share consolidation of its common shares on the basis of one (1) post-consolidation share (a “Consolidated Share”) for every 3.169432 pre-consolidation common shares (the “Consolidation”). As a result, the 306,138,320 common shares issued and outstanding prior to the Consolidation were reduced to 96,590,894 common shares, and outstanding stock options were adjusted accordingly. In addition the Company changed its name to Southern Cross Gold Consolidated Ltd.
- (iii) on January 23, 2025, the Company issued 125,041,013 common shares of the Company, with a fair value of \$3.35 per share for total consideration of \$418,887,454, to acquire the SXG AUS Shares; and
- (iv) on January 15, 2025, the Company’s securities commenced quotation on the ASX under the ticker symbol “SX2” and are settled in the form of CHESS Depositary Interests (“CDIs”).

During fiscal 2025 the Company incurred \$2,625,076 for costs associated with the SIA.

**5. Disposal of Mawson Oy**

Pursuant to a share purchase agreement dated October 30, 2023 the Company agreed to sell all of the issued share capital and intercompany debt of Mawson Oy to Mawson Finland Limited (“Mawson Finland”) for \$6,500,000 cash (the “Springtide Transaction”). On December 19, 2023 (the “Closing”) Mawson Finland paid \$6,500,000 to the Company and completed the Springtide Transaction pursuant to which Mawson Oy became a wholly-owned subsidiary of Mawson Finland.

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**5. Disposal of Mawson Oy (continued)**

(a) *Assets and Liabilities of Discontinued Operations*

Mawson Oy's assets and liabilities were stated at their net realizable value of \$6,500,000 prior to Closing as follows:

	\$
<b>Assets</b>	
Cash	92,277
VAT receivable	32,633
Prepaid expenses and deposits	54,587
Property, plant and equipment	45,444
Exploration and evaluation assets	6,490,760
Right of use asset	575,457
Bonds	194,533
<b>Total assets</b>	<u>7,485,691</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	(390,406)
Lease liability	(595,285)
<b>Total liabilities</b>	<u>(985,691)</u>
	<u>6,500,000</u>

(b) *Net Loss from Discontinued Operations*

	Year Ended May 31, 2024 \$
<b>Expenses</b>	
Accounting and administration	16,163
Accretion of interest on lease liability	31,001
Audit	11,343
Corporate development	2,406
Depreciation and amortization	62,338
Legal	8,275
Office and sundry	41,973
Professional fees	51,642
Rent	23,312
Salaries and benefits	10,570
Travel	23,887
Vehicles	8,502
	<u>291,412</u>
<b>Loss before other items</b>	<u>(291,412)</u>
<b>Other items</b>	
Impairment of exploration and evaluation assets (Note 8(a))	(39,020,951)
Foreign exchange	(143,866)
	<u>(39,164,817)</u>
<b>Net loss from discontinued operations</b>	<u>(39,456,229)</u>

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**6. Investments**

As at May 31, 2025				
	Number	Cost \$	Unrealized Loss \$	Carrying Value \$
Common shares				
Nagambie Resources Limited ("Nagambie")	53,361,046	1,768,741	(1,013,319)	755,422
Kingsmen Resources Limited ("Kingsmen")	18,750	45,000	(26,625)	18,375
		<u>1,813,741</u>	<u>(1,039,944)</u>	<u>773,797</u>
As at May 31, 2024				
	Number	Cost \$	Unrealized Loss \$	Carrying Value \$
Common shares				
Nagambie	53,361,046	1,768,741	(1,282,798)	485,943
Kingsmen	18,750	45,000	(38,437)	6,563
		<u>1,813,741</u>	<u>(1,321,235)</u>	<u>492,506</u>

- (a) Pursuant to a subscription agreement dated March 24, 2020 the Company subscribed for 50,000,000 ordinary shares of Nagambie (the "Nagambie Shares"). As consideration for the acquisition of the Nagambie Shares the Company issued Nagambie 2,681,868 common shares of the Company, at a fair value of \$1,572,500. As long as the Company continues to hold the Nagambie Shares it maintains a right of refusal to take up or match proposals being considered over a 3,600 square kilometre tenement package held by Nagambie.

During fiscal 2022 and 2023 the Company purchased an additional 3,361,046 ordinary shares of Nagambie for \$196,241.

- (b) The carrying values of the investments were determined using quoted market values. During fiscal 2025 the Company recorded an unrealized gain of \$281,291 (2024 - loss of \$1,283,173) on its investments held.

**7. Property, Plant and Equipment**

	Land \$	Office and Field Equipment \$	Vehicles \$	Total \$
<b>Cost:</b>				
Balance at May 31, 2023	1,736,710	278,693	520,809	2,536,212
Additions	1,195,898	2,901	-	1,198,799
Disposition of Mawson Oy	-	(121,085)	(299,393)	(420,478)
Foreign exchange movement	82,179	4,601	6,320	93,100
Balance at May 31, 2024	3,014,787	165,110	227,736	3,407,633
Additions	13,548,156	190,771	22,738	13,761,665
Foreign exchange movement	(389,507)	(8,969)	(6,980)	(405,456)
Balance at May 31, 2025	<u>16,173,436</u>	<u>346,912</u>	<u>243,494</u>	<u>16,763,842</u>

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**7. Property, Plant and Equipment (continued)**

	Land \$	Office and Field Equipment \$	Vehicles \$	Total \$
<b>Accumulated Depreciation:</b>				
Balance at May 31, 2023	-	(149,370)	(290,531)	(439,901)
Depreciation	-	(30,088)	(51,998)	(82,086)
Disposition of Mawson Oy	-	119,464	255,570	375,034
Foreign exchange movement	-	(1,674)	(2,425)	(4,099)
Balance at May 31, 2024	-	(61,668)	(89,384)	(151,052)
Depreciation	-	(44,478)	(34,626)	(79,104)
Foreign exchange movement	-	6,064	2	6,066
Balance at May 31, 2025	-	(100,082)	(124,008)	(224,090)
<b>Carrying Value:</b>				
Balance at May 31, 2024	3,014,787	103,442	138,352	3,256,581
Balance at May 31, 2025	16,173,436	246,830	119,486	16,539,752

- (i) In December 2024, SXG AUS entered into an agreement and acquired a special purpose company holding agricultural land situated over the Sunday Creek Project area and cash of \$16,937,494 (AUD \$18,750,000) for which SXG AUS issued 22,088,670 SXG AUS ordinary shares with a fair value of \$68,839,315 (AUD \$76,205,912). SXG AUS also paid \$1,347,203 (AUD \$1,491,424) for legal and associated costs relating to the acquisition, for a total consideration of \$70,184,622 (the "Land Purchase Consideration"). The acquisition of the special purpose company did not meet the criteria of a business combination under IFRS 3.

The Land Purchase Consideration has been allocated as follows:

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

- (ii) During fiscal 2025 the Company also purchased agricultural land situated over the Sunday Creek Project area for total cash consideration of \$2,256,906. All of the purchase consideration has been attributed to land costs.

**8. Exploration and Evaluation Assets**

	As at May 31, 2025			
	Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	Total \$
Australia				
Sunday Creek	42,754,936	27,675,072	2,103,249	72,533,257
Redcastle	284,794	2,128,418	(259,441)	2,153,771
	<u>43,039,730</u>	<u>29,803,490</u>	<u>1,843,808</u>	<u>74,687,028</u>

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**8. Exploration and Evaluation Assets (continued)**

	As at May 31, 2024			
	Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	Total \$
Sweden				
Skelleftea North	70,357	281,381	-	351,738
Other	40,748	7,134	-	47,882
Australia				
Sunday Creek	799,058	17,281,134	281,602	18,361,794
Redcastle	56,244	1,722,606	(17,296)	1,761,554
	<u>966,407</u>	<u>19,292,255</u>	<u>264,306</u>	<u>20,522,968</u>

(a) ***Rajapalot, Finland***

Through Mawson Oy, the Company had held claims and exploration permits (the Rajapalot Gold Project”) in northern Finland. On October 30, 2023 the Company agreed to sell Mawson Oy, as described in Note 5. Accordingly, during fiscal 2024, the Company recorded an impairment provision of \$39,020,951 to the Rajapalot Gold Project to reflect its net realizable value of \$6,490,760, which was then realized on the Closing.

(b) ***Skelleftea North, Sweden***

Effective December 24, 2021, as amended on October 19, 2023, the Company entered into an option agreement whereby it was granted the right to earn up to an 85% interest in four mineral permits (the “Skelleftea North Project”) located in the Skelleftea Mining District of Northern Sweden. Pursuant to the option agreement the Company has paid \$20,000 cash and issued 82,034 common shares of the Company at a fair value of \$40,300 and may earn the following interests:

- (i) an initial 75% interest by incurring \$3,000,000 in exploration expenditures over four years, provided that a minimum \$220,000 is incurred in year one (met) and \$280,000 on or before December 24, 2024; and
- (ii) an additional 10% interest by completion of a National Instrument 43-101 compliant pre-feasibility or feasibility study within 10 years.

On December 20, 2024 the Company notified the optionor of its decision to relinquish the Skelleftea North Project and return the mineral permits. Accordingly, during fiscal 2025 the Company recorded an impairment charge of \$361,289 for all capitalized exploration and evaluation costs incurred to May 31, 2025.

(c) ***Australia Projects***

The Company’s Australian mineral interests are held by Southern Cross as follows:

(i) ***Sunday Creek Project***

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

During fiscal 2025 the Company capitalized \$41,955,878 to the Sunday Creek Project, as described in Note 7.

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**8. Exploration and Evaluation Assets (continued)**

(ii) *Redcastle, Australia*

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

(iii) *Whroo JV, Australia*

On March 24, 2020 the Company entered into an option agreement with Nagambie pursuant to which the Company had the right to earn up to a 70% interest in Nagambie's Doctors Gully property located in Victoria, Australia. On October 13, 2020 the parties entered into an amended and restated option agreement (the "Whroo JV Agreement") on the Doctors Gully property and additional exploration licences (collectively the "Whroo JV").

Pursuant to the Whroo JV Agreement the Company had the option to earn up to a 70% joint venture interest in the Whroo JV. In April 2024 Nagambie was notified by the Company that it would not proceed with the Whroo JV Agreement and has, accordingly, recorded an impairment provision of \$919,192 during fiscal 2024 for all capitalized option payments made and exploration and evaluation costs incurred on the Whroo JV.

(iv) *Commitments*

Australia tenement spending commitments are subject to renegotiation when an application for a mining lease and/or renewal of exploration permits are made or at other times and are subject to whether the Company decides to continue a tenement's rights until its expiry. The amounts detailed below are the minimum expenditures required to maintain ownership of the current tenements held as at May 31, 2025.

	AUD \$
Within one year	689,700
One to five years	<u>311,300</u>
Total	<u>1,001,000</u>

**9. Right of Use Assets**

	\$
<b>Cost:</b>	
Balance at May 31, 2023	886,879
Additions	68,342
Disposition of Mawson Oy	(657,666)
Foreign exchange movement	<u>8,651</u>
Balance at May 31, 2024	306,206
Additions	1,274,828
Foreign exchange movement	<u>(37,291)</u>
Balance at May 31, 2025	<u>1,543,743</u>



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**9. Right of Use Assets (continued)**

	\$
<b>Accumulated amortization:</b>	
Balance at May 31, 2023	(46,504)
Amortization	(136,381)
Disposition of Mawson Oy	82,209
Foreign exchange movement	<u>(2,771)</u>
Balance at May 31, 2024	(103,447)
Amortization	(183,720)
Foreign exchange movement	<u>7,041</u>
Balance at May 31, 2025	<u>(280,126)</u>
<b>Carrying value:</b>	
Balance at May 31, 2024	<u>202,759</u>
Balance at May 31, 2025	<u>1,263,617</u>

The Company has lease contracts for office and warehouse premises. It does not have any subleases.

Effective April 28, 2025 the Company entered into an office lease agreement with the family trust of the Company's Chief Executive Officer for a term of five years plus a three year renewal option, at AUD \$7,890 per month.

As at May 31, 2025 the lease liabilities have remaining lease terms of approximately three to eight years or less and were determined using an effective interest rate of between 5% to 7%.

	<b>Year Ended May 31,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Balance, beginning of year	203,643	849,634
Additions	1,250,577	69,807
Accretion of interest	46,278	39,620
Payments	(175,324)	(100,097)
Disposition of Mawson Oy	-	(595,285)
Foreign exchange movement	<u>(60,669)</u>	<u>(60,036)</u>
Balance, end of year	<u>1,264,505</u>	<u>203,643</u>
Current portion of lease liabilities	197,699	100,124
Non-current portion of lease liabilities	<u>1,066,806</u>	<u>103,519</u>
Total lease liabilities	<u>1,264,505</u>	<u>203,643</u>

As at May 31, 2025 the total of future minimum lease payments under the lease are as follows:

	\$
Less than one year	276,815
Greater than one year	<u>1,259,014</u>
	<u>1,535,829</u>

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**10. Share Capital**

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Share Consolidation*

On January 10, 2025 the Company completed a consolidation of its share capital on a one new for 3.169432 old basis. The share and per share amounts have been adjusted within these consolidated financial statements to reflect the share consolidation. See also Note 4.

(c) *Equity Financings*

*Fiscal 2025*

During fiscal 2025 the Company completed a private placement totalling 31,800,078 common shares, at \$4.50 per common share, for total proceeds of \$143,100,351.

The Company paid finders' fees of \$2,898,946 cash and issued 335,116 common shares at an ascribed value of \$1,508,022. In addition the Company incurred \$423,022 for legal and other costs associated with this private placement.

*Fiscal 2024*

The Company did not conduct any equity financing during fiscal 2024.

(d) *Warrants*

(i) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at May 31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	-	-	347,068	CDN \$0.475
Exercised	-	-	(347,068)	CDN \$0.475
Balance, end of year	-	-	-	-

(e) *Incentive Plans*

The Company has no share-based incentive plans other than the Option Plan and the RSU Plan. The number of shares available for purchase pursuant to stock options granted under the Option Plan and RSUs awarded under the RSU Plan will not exceed 10% of the number of common shares which are issued and outstanding on the particular date of grant or award.

(i) During fiscal 2025 the Company granted share options to purchase a total of 700,000 common shares and recognized compensation expense of \$1,155,000. The fair value of Company share options granted and vested during fiscal 2025 was estimated using the Black-Scholes option pricing model using the following assumptions: a risk-free interest rate of 2.51%; estimated volatility of 72%; expected life of 3 years; expected dividend yield of 0%; and estimated forfeiture rate of 0%.

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**10. Share Capital (continued)**

No share options were granted during fiscal 2024.

A summary of the Company's share options at May 31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	<b>2025</b>		<b>2024</b>	
	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of year	1,117,865	CDN \$0.76	5,205,980	CDN \$0.82
Exercised	(297,529)	CDN \$0.76	(2,929,375)	CDN \$0.76
Expired	-	-	(1,158,740)	CDN \$1.01
Transferred on closing of SIA	<u>12,200,000</u>	AUD \$0.71	-	-
Balance on closing of SIA	13,020,336	CDN \$0.61	1,117,865	CDN \$0.76
Granted	700,000	CDN \$3.38	-	-
Exercised	<u>(2,013,963)</u> <sup>(1)</sup>	CDN \$0.42 <sup>(2)</sup>	-	-
Balance, end of year	<u>11,706,373</u>	CDN \$0.84 <sup>(3)</sup>	<u>1,117,865</u>	CDN \$0.76

(1) In agreement with the Option Plan, 250,000 share options were exercised on a cash-less basis (net exercise) for the issuance of 220,899 common shares.

(2) Average Canadian currency equivalent.

(3) Share options exercisable in AUD \$ have been incorporated based on Canadian currency equivalents at the exchange rate as of May 31, 2025.

The following table summarizes information about the Company share options outstanding and exercisable at May 31, 2025:

<b>Number Outstanding and Exercisable</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
536,373	CDN \$0.76	February 10, 2026
2,350,000	AUD \$0.30	May 5, 2026
720,000	AUD \$0.66	August 15, 2026
1,500,000	AUD \$1.20	October 23, 2026
3,550,000	AUD \$1.20	November 7, 2026
2,350,000	AUD \$0.30	May 5, 2027
<u>700,000</u>	<u>CDN \$3.38</u>	<u>March 10, 2028</u>
<u>11,706,373</u>		

- (ii) On closing of the SIA, 280,000 employer security ownership plan ("ESO"), which was awarded by SXG AUS, was exchanged for 280,000 Company RSUs. The Company recognized a further \$319,368 share compensation expense due to additional vesting of the RSUs subsequent to the closing of the SIA.

During fiscal 2025 the Company issued 50,000 common shares on the redemption of RSUs.

As at May 31, 2025, 230,000 RSUs remained outstanding, of which 100,000 RSUs have vested and the remaining 130,000 RSUs are subject to vesting provisions.

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**10. Share Capital** (continued)

A summary of RSUs at May 31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	2025 Number of RSUs Outstanding	2024 Number of RSUs Outstanding
Balance, beginning of year	-	-
Transferred from ESO Plan on closing of SIA	280,000	
Exercised	<u>(50,000)</u>	-
Balance, end of year	<u>230,000</u>	-

(g) *SXG AUS Lead Manager Options, Broker Options, Share Options and Employer Security Ownership Plan*

- (i) During fiscal 2023 SXG AUS issued 3,000,000 options (the “Lead Manager Options”) to its broker in connection with its private placement conducted in November 2022.

The SXG AUS Lead Manager Options were transferred to the Company on closing of the SIA. A summary of SXG AUS Lead Manager Options at May 31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price AUD \$	Number	Weighted Average Exercise Price AUD \$
Balance, beginning of year	1,205,000	0.87	3,000,000	0.87
Exercised	<u>(175,000)</u>	0.87	<u>(1,795,000)</u>	0.87
Balance prior to SIA	1,030,000	0.87	1,205,000	0.87
Exercised	<u>(280,000)</u>	0.87	-	-
Balance, end of year	<u>750,000</u>	0.87	<u>1,205,000</u>	0.87

- (ii) During fiscal 2022 SXG AUS issued 6,500,000 options (the “Broker Options”) to its lead broker in connection with its IPO.

The SXG AUS Broker Options were transferred to the Company on closing of the SIA. A summary of SXG AUS Broker Options at May 31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price AUD \$	Number	Weighted Average Exercise Price AUD \$
Balance, beginning of year	3,902,251	0.30	6,500,000	0.30
Exercised	<u>(1,942,584)</u>	0.30	<u>(2,597,749)</u>	0.30
Balance prior to SIA	1,959,667	0.30	3,902,251	0.30
Exercised	<u>(1,959,667)</u>	0.30	-	-
Balance, end of year	<u>-</u>	-	<u>3,902,251</u>	0.30

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**10. Share Capital** (continued)

- (iii) No share options were granted by SXG AUS during fiscal 2025.

During fiscal 2024 SXG AUS granted share options to purchase a total of 7,050,000 ordinary shares of SXG AUS and recorded compensation expense of \$2,214,029. In addition, during fiscal 2024 SXG AUS recorded additional compensation expense of \$127,616 on the vesting of share options previously granted.

A summary of SXG AUS share options at May 31, 2025 and 2024 and the changes for the years ended on that date, is as follows:

	2025		2024	
	Number of Options Outstanding	Weighted Average Exercise Price AUD \$	Number of Options Outstanding	Weighted Average Exercise Price AUD \$
Balance, beginning of year	14,899,999	0.64	8,349,999	0.30
Granted	-	-	7,050,000	1.05
Exercised	(2,699,999)	0.33	(500,000)	0.66
Balance prior to SIA	12,200,000	0.71	14,899,999	0.64
Transferred to share options on closing of SIA	(12,200,000)	0.71	-	-
Balance, end of year	-	-	14,899,999	0.64

- (iv) *SXG AUS Employer Security Ownership Plan*

On March 17, 2022 SXG AUS adopted an employer security ownership plan (the “ESO Plan”). The ESO Plan provided for the issuance of up to 8,970,000 ESOs. During fiscal 2025 SXG AUS granted 280,000 (2024 - nil) ESOs with vesting provisions and recorded \$91,009 (2024 - \$nil) share-based compensation for the vesting of the granted ESOs prior to the closing of the SIA. On closing of the SIA the 280,000 ESOs granted were exchanged for 280,000 Company RSUs.

A summary of SXG AUS ESOs at May 31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	2025 Number of ESOs	2024 Number of ESOs
Balance, beginning of year	-	-
Awarded	280,000	-
Transferred to RSUs on closing of SIA	(280,000)	-
Balance, end of year	-	-

**11. Non-controlling Interests**

During fiscal 2022 the Company determined to restructure its Australian assets into a new entity which would conduct an IPO in Australia and a listing of its ordinary shares on the ASX. On July 21, 2021 the Company incorporated SXG AUS as a wholly-owned Australian subsidiary. On August 9, 2021 the Company transferred its shareholdings in its 100% owned Australian subsidiaries, Mawson Queensland Pty Ltd. (“Queensland”), SXG Victoria Pty Ltd. (“Victoria”) and Clonbinane Goldfield Pty Ltd. (“Clonbinane”), to SXG AUS. On December 29, 2021 the Company transferred its holdings in Nagambie shares to SXG AUS. During fiscal 2022 SXG AUS conducted a number of private placements and its initial public offering and the Company’s interest in SXG AUS was diluted from 100% to 60%.

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**11. Non-controlling Interests (continued)**

In fiscal 2023 SXG AUS completed a private placement of its common shares further diluting the Company's interest to 50.99%. In fiscal 2024 SXG AUS completed a private placement and a rights offering, issued ordinary shares for the exercise of share options, Lead Manager Options and Broker Options and, as a result, the Company's ownership interest was diluted to 49.6% as at May 31, 2024. During fiscal 2025 SXG AUS issued ordinary shares and the Company's ownership interest was diluted to 43.6% prior to the SIA. On January 23, 2025 the Company completed the SIA and SXG AUS became a wholly-owned subsidiary of the Company as described in Note 4.

The following is a continuity of SXG AUS' non-controlling interest:

	\$
Balance at May 31, 2023	13,870,387
Non-controlling interest adjustment for change in ownership interests	4,505,852
Share-based compensation adjustment	2,341,645
Currency translation adjustment	(173,481)
Share of loss for the year June 1, 2023 to May 31, 2024	<u>(3,555,648)</u>
Balance at May 31, 2024	16,988,755
Non-controlling interest adjustment for change in ownership interests	10,389,119
Share-based compensation adjustment	64,129
Share of loss for the period June 1, 2024 to January 23, 2025	(1,415,115)
Acquisition of remaining non-controlling interest	<u>(26,026,888)</u>
Balance at May 31, 2025	<u>-</u>

**12. Loss per Common Share**

	<b>Year Ended</b>	
	<b>May 31, 2025 \$</b>	<b>May 31, 2024 \$</b>
Numerator		
Loss from continuing operations	(8,074,009)	(7,918,182)
Loss from discontinued operations	<u>-</u>	<u>(39,456,229)</u>
Net loss attributable to shareholders	<u>(8,074,009)</u>	<u>(47,374,411)</u>
Denominator		
For basic weighted average number of common shares outstanding	143,114,221	94,427,603
Effect of dilutive stock options	<u>-</u>	<u>-</u>
For diluted weighted average number of common shares outstanding	<u>143,114,221</u>	<u>94,427,603</u>
Basic and diluted loss per common share from continuing operations	<u>(0.06)</u>	<u>(0.08)</u>
Basic and diluted loss per common share from discontinued operations	<u>-</u>	<u>(0.42)</u>

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**13. Related Party Disclosures**

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

(a) *Transactions with Key Management Personnel*

During fiscal 2025 the Company incurred a total of \$709,950 (2024 - \$524,710) to current and former key management personnel of the Company for salaries and fees which have been allocated based on the nature of the services provided: expensed \$540,043 (2024 - \$316,029) to administration and corporate costs, expensed \$20,000 (2024 - \$nil) to corporate restructuring costs and capitalized \$149,907 (2024 - \$208,681) to exploration and evaluation assets. As at May 31, 2025 \$nil (2024 - \$31,500) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2025 the Company also recorded \$660,000 (2024 - \$588,447) share-based compensation for the granting and vesting of share options.

(b) During fiscal 2025 the Company incurred a total of \$73,500 (2024 - \$64,000) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO, and \$4,020 (2024 - \$4,020) for rent. As at May 31, 2025 \$9,170 (2024 - \$4,670) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2025 the Company also recorded \$247,500 share-based compensation for the granting of share options.

(c) See also Note 9.

**14. Income Taxes**

Deferred income tax assets and liabilities of the Company as at May 31, 2025 and 2024 are as follows:

	2025 \$	2024 \$
Deferred income tax assets (liabilities)		
Losses carried forward	19,910,500	15,295,900
Financing costs	1,137,200	191,000
Difference between book value and income tax costs of exploration and evaluation assets	<u>(9,819,300)</u>	<u>(6,111,100)</u>
	11,228,400	9,375,800
Valuation allowance	<u>(11,228,400)</u>	<u>(9,375,800)</u>
Net deferred income tax asset	<u>-</u>	<u>-</u>

The recovery of income taxes shown in the consolidated statements of comprehensive loss differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2025	2024
Income tax rate reconciliation		
Combined federal and provincial income tax rate	<u>27.0%</u>	<u>27.0%</u>

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**14. Income Taxes (continued)**

	2025 \$	2024 \$
Expected income tax recovery	2,180,000	12,791,100
Foreign income tax rate differences	87,800	(2,816,000)
Non-deductible share-based compensation	(427,400)	(702,500)
Other	356,000	215,500
Unrecognized benefit of income tax losses	(2,196,400)	(9,488,100)
Actual income tax recovery	-	-

As at May 31, 2025 the Company has non-capital losses of approximately \$25,365,500 (2024 - \$21,313,300), allowable capital losses of approximately \$18,383,200 (2024 - \$48,340,600) and tax pools of approximately \$4,007,400 (2024 - \$286,700) carried forward for Canadian income tax purposes and are available to reduce taxable income in future years. The non-capital losses expire commencing in 2026 through 2045. The allowable capital losses and tax pools can be carried forward indefinitely.

The Company's subsidiaries have incurred losses for tax purposes, as follows:

	2025		2024	
Country	\$	Expiry	\$	Expiry
Sweden	-	N/A	7,425,400	Indefinite
Australia	43,539,300	Indefinite	26,705,500	Indefinite

**15. Financial Instruments and Risk Management**

***Categories of Financial Assets and Financial Liabilities***

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

Financial Instrument	Category	May 31, 2025 \$	May 31, 2024 \$
Cash and cash equivalents	FVTPL	151,212,676	15,497,519
Amounts receivable	Amortized cost	83,392	-
Investments	FVTPL	773,797	492,506
Bonds	Amortized cost	95,985	69,545
Accounts payable and accrued liabilities	Amortized cost	(2,759,332)	(1,380,052)
Lease liabilities	Amortized cost	(1,264,505)	(203,643)

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

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

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



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**15. Financial Instruments and Risk Management** (continued)

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

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

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

*Credit Risk*

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

*Liquidity Risk*

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

	<b>Contractual Maturity Analysis at May 31, 2025</b>				
	<b>Less than 3 Months \$</b>	<b>3 - 12 Months \$</b>	<b>1 - 5 Years \$</b>	<b>Over 5 Years \$</b>	<b>Total \$</b>
Cash and cash equivalents	151,212,676	-	-	-	151,212,676
Amounts receivable	83,392	-	-	-	83,392
Investments	-	-	773,797	-	773,797
Bonds	-	-	95,985	-	95,985
Accounts payable and accrued liabilities	(2,759,332)	-	-	-	(2,759,332)
Lease liabilities	(49,425)	(148,274)	(968,472)	(98,334)	(1,264,505)

*Market Risk*

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

(a) Interest Rate Risk

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

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains foreign currency bank accounts to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At May 31, 2025, 1 Canadian Dollar was equal to 1.13 AUD Dollar, 6.97 SEK, and 0.73 US Dollar.

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**15. Financial Instruments and Risk Management (continued)**

Balances are as follows:

	AUD Dollars	Swedish Kronors	US Dollars	CDN \$ Equivalent
Cash and cash equivalents	10,674,202	52,384	10,422	9,467,988
Amount receivable	94,250	-	-	83,392
GST/VAT receivable	363,315	249	-	321,553
Bonds	79,148	70,147	11,010	95,985
Accounts payable and accrued liabilities	<u>(2,599,139)</u>	<u>(19,281)</u>	<u>-</u>	<u>(2,302,889)</u>
	<u>8,611,776</u>	<u>103,499</u>	<u>21,432</u>	<u>7,666,029</u>

Based on the net exposures as of May 31, 2025 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the SEK, AUD Dollar and US Dollar would result in the Company's net income or loss being approximately \$747,000 higher (or lower).

*Capital Management*

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

**16. Supplemental Cash Flow Information**

During fiscal 2025 and 2024 non-cash activities were conducted by the Company as follows:

	2025 \$	2024 \$
Operating activities		
Accounts payable and accrued liabilities	1,061,583	421,119
Lease liabilities	<u>1,274,828</u>	<u>68,342</u>
	<u>2,336,411</u>	<u>489,641</u>
Investing activities		
Additions to property, plant and equipment	(11,291,250)	-
Exploration and evaluation assets	(1,061,583)	-
Exploration and evaluation assets	(40,610,571)	(421,119)
Addition to right of use assets	<u>(1,274,828)</u>	<u>(68,342)</u>
	<u>(54,238,232)</u>	<u>(489,641)</u>
Financing activities		
Issuance of common shares	54,199,635	1,301,186
Share issue costs	(1,508,022)	-
Share-based payments reserve	<u>(789,792)</u>	<u>(1,301,186)</u>
	<u>51,901,821</u>	<u>-</u>

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**17. Segmented Information**

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

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

As at May 31, 2025					
	Canada \$	Australia \$	USA \$	Sweden \$	Total \$
Current assets	141,939,124	9,851,211	-	13,440	151,803,775
Investments	18,375	755,422	-	-	773,797
Property, plant and equipment	-	16,539,752	-	-	16,539,752
Exploration and evaluation assets	-	74,687,028	-	-	74,687,028
Right of use assets	-	1,263,617	-	-	1,263,617
Bonds	-	70,030	15,896	10,059	95,985
	<u>141,957,499</u>	<u>103,167,060</u>	<u>15,896</u>	<u>23,499</u>	<u>245,163,954</u>
As at May 31, 2024					
	Canada \$	Australia \$	USA \$	Sweden \$	Total \$
Current assets	3,470,815	12,384,719	-	9,368	15,864,902
Investments	6,563	485,943	-	-	492,506
Property, plant and equipment	-	3,256,581	-	-	3,256,581
Exploration and evaluation assets	-	20,123,348	-	399,620	20,522,968
Right of use assets	-	202,759	-	-	202,759
Bonds	-	46,138	14,941	8,466	69,545
	<u>3,477,378</u>	<u>36,499,488</u>	<u>14,941</u>	<u>417,454</u>	<u>40,409,261</u>

**18. Events after the Reporting Period**

Subsequent to May 31, 2025 the Company:

- (i) awarded 142,519 RSUs; and
- (ii) issued 462,500 common shares on the exercise of share options and RSUs.

# **SOUTHERN CROSS GOLD CONSOLIDATED LTD.**

*(formerly Mawson Gold Limited)*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2025**

This discussion and analysis of financial position and results of operations is prepared as at August 28, 2025 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended May 31, 2025 and 2024 of Southern Cross Gold Consolidated Ltd. ("SXGC" or the "Company") (*formerly Mawson Gold Limited*). The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

### **Forward Looking Statements**

This MD&A contains "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are included to provide information about management's current expectations and plans that allow investors and others to have a better understanding of the Company's business plans and financial performance and condition.

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

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most Annual Information Form, management information circular, material change reports, press releases and other information, may be accessed via [www.sedarplus.ca/](http://www.sedarplus.ca/), via [www.asx.com.au](http://www.asx.com.au) (under the symbol "SX2") or the Company's website at [www.southerncrossgold.com](http://www.southerncrossgold.com). Readers are urged to review these materials, including the technical report filed with respect to the Company's mineral properties.

## Company Overview

The Company commenced operations on March 10, 2004. On July 31, 2020, the Company changed its name to Mawson Gold Limited and on January 10, 2025, the Company changed its name to Southern Cross Gold Consolidated Ltd. The Company is a reporting issuer in British Columbia, Alberta and Ontario. The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "SXGC" and the OTCQX under the symbol "SXGCF") and CHESS Depositary Interests ("CDIs") on the Australian Securities Exchange ("ASX") under the symbol "SX2".

The Company 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. The Company's material property is the Sunday Creek Gold-Antimony Project in Victoria, Australia.

On July 30, 2024 the Company entered into a definitive binding Scheme Implementation Agreement (the "SIA") with Southern Cross Gold Ltd. ("SXG AUS"), its then 48.7% owned subsidiary on the date of the SIA, to acquire all of the ordinary shares of SXG AUS (the "SXG AUS Shares") that the Company did not already own, by way of a scheme of arrangement under the laws of Australia (the "SXG AUS Scheme"). Following completion of the SXG AUS Scheme on January 23, 2025, SXG AUS became a wholly owned subsidiary of the Company.

Under the terms of the SXG AUS Scheme, effective January 15, 2025, the Company:

1. completed the spin-out of the uranium assets held by its then wholly-owned subsidiary SUA Holdings Limited ("SUA") (the "SUA Arrangement") under the *Business Corporations Act* (British Columbia). Pursuant to the SUA Arrangement, the Company distributed 100% of the common shares of SUA (the "SUA Shares") held by it to shareholders of the Company of record as at January 10, 2025, on a pro rata basis. As a result, the Company shareholders also became shareholders of SUA and SUA ceased to be a subsidiary of the Company. SUA became a reporting issuer in British Columbia and Alberta. The Company made the necessary tax filings such that SUA is deemed to be a public corporation for Canadian income tax purposes and, as a result, SUA Shares is an eligible investment for all registered accounts.
2. effected a share consolidation of its common shares on the basis of one (1) post-consolidation share (a "Consolidated Share") for every 3.169432 pre-consolidation common shares (the "Consolidation"). As a result, the 306,138,320 common shares issued and outstanding prior to the Consolidation were reduced to 96,590,894 common shares, and outstanding stock options were adjusted accordingly. The Company has no warrants outstanding.
3. changed its name to Southern Cross Gold Consolidated Ltd. The Company's common shares resumed trading on the TSXV on a consolidated basis effective at the opening of the market on January 15, 2025, under the new ticker symbol "SXGC". The new CUSIP number assigned to the Company's common shares following the Name Change and Consolidation is 842685109 and ISIN CA8426851090.
4. applied to list its securities on the Australian Securities Exchange (the "ASX"). On January 15, 2025, the Company's securities commenced quotation on the ASX under the ticker symbol "SX2" and are settled in the form of CDIs.
5. on January 23, 2025, the Company issued 125,041,013 common shares of the Company, with a fair value of \$3.35 per share for total consideration of \$418,887,454, to acquire the SXG AUS Shares not owned on the date of the transaction. The Company's carrying value of the non-controlling interest in SXG AUS was \$93,215,423, resulting in an allocation of \$325,672,031 to deficit.

On January 23, 2025, upon completion of the SXG Scheme, three members of the board of directors (the “Board”) of the Company were replaced with Tom Eadie, David Henstridge and Georgina Carnegie. Mr. Eadie was appointed as the Company’s Non-Executive Chairman and Mr. Michael Hudson, was appointed as President & Chief Executive Officer (“CEO”). Nick DeMare and Mariana Bermudez continue to serve as Chief Financial Officer (“CFO”) and Corporate Secretary, respectively.

On August 27, 2025, the Company filed a non-independent technical report titled “NI 43-101 Technical Report Sunday Creek Gold-Antimony Project, Victoria, Australia” with an effective date of August 10, 2025 (the “Technical Report”), by Kenneth Bush, Exploration Manager for the Company, BSc (Hons) (Geology), MAIG, RPGeo, a non-independent qualified person under NI 43-101. The Technical Report is available for download under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.southerncrossgold.com](http://www.southerncrossgold.com). Readers are encouraged to read the NI 43-101 Technical Report in its entirety.

## **Directors and Officers**

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

Tom Eadie	Director, Non-Executive Chairman
Michael Hudson	Director, President and CEO
David Henstridge	Director
Georgina Carnegie	Director
Nick DeMare	CFO
Mariana Bermudez	Corporate Secretary

## **Property Assets and Exploration Activities**

Following the completion of the SXG Scheme, the Company is an exploration stage company with a focus on gold exploration in Australia. The Company’s focus is primarily on the exploration and development, through its wholly owned subsidiaries, Clonbinane Goldfield Pty Ltd (“Clonbinane”), and SXG Victoria Pty Ltd (“SXG Victoria”) of the following Projects:

1. Sunday Creek Project - Victoria - 100% ownership via Clonbinane;
2. Redcastle Project - Victoria - 100% ownership via SXG Victoria

The Victorian projects cover 291.5 km<sup>2</sup> over two historic high grade epizonal goldfields of the Melbourne Zone in Central Victoria.

The Company also hold rights to projects in Mt Isa, Queensland Australia via a wholly owned subsidiary, Mawson Queensland Pty Ltd (“Mawson Queensland”). Additionally, the Company holds a strategic 5.96% ownership of Nagambie Resources Ltd (ASX: NAG) (“Nagambie”) which entitles the Company to a Right of First Refusal over tenements controlled by Nagambie in Central Victoria.

### ***Sunday Creek Project***

The Sunday Creek epizonal-style gold project is located 60 km north of Melbourne within 19,365 hectares of granted exploration tenements. SXGC is also the freehold landholder of 1,054.51 hectares that form the key portion in and around the main drilled area at the Sunday Creek Project.

Gold and antimony form in a relay of vein sets that cut across a steeply dipping zone of intensely altered rocks (the “host”). When observed from above, the host resembles the side rails of a ladder, where the sub-vertical mineralized vein sets are the rungs that extend from surface to depth. At Apollo and Rising Sun these individual ‘rungs’ have been defined over 600 m depth extent from surface to 1,100 m below surface, are 2.3 m to 3.8 m wide (median widths) (and up to 10 m), and 20 m to 100 m in strike.

Cumulatively, as of the date of this MD&A, 181 drill holes for 88,400.67 m have been reported from Sunday Creek since late 2020. An additional twelve holes for 582.55 m from Sunday Creek were abandoned due to deviation or hole conditions. Fourteen drillholes for 2,383 m have been reported regionally outside of the main Sunday Creek drill area. A total of 64 historic drill holes for 5,599 m were completed from the late 1960s to 2008. The project now

contains a total of sixty-six (66) >100 g/t AuEq x m and seventy-three (73) >50 to 100 g/t AuEq x m drill holes by applying a 2 m @ 1 g/t lower cut.

The Company's systematic drill program is strategically targeting these significant vein formations. Initially these have been defined over 1,350 m strike of the host from Christina to Apollo prospects, of which approximately 620 m has been more intensively drill tested (Rising Sun to Apollo). At least 77 'rungs' have been defined to date, defined by high-grade intercepts (20 g/t to >7,330 g/t Au) along with lower grade edges. Ongoing step-out drilling is aiming to uncover the potential extent of this mineralized system.

Geologically, the project is located within the Melbourne Structural Zone in the Lachlan Fold Belt. The regional host to the Sunday Creek mineralization is an interbedded turbidite sequence of siltstones and minor sandstones metamorphosed to sub-greenschist facies and folded into a set of open north-west trending folds.

The Company reported thirteen drill holes during the quarter and ten holes subsequent to the date of this MDA. Continuity within wide zones and high-grades is now evident down to over 1,100 m vertical depth. Subsequent to the end of the period, the Company announced results from drillholes SDDSC159, 160, 160 W1, 160W2, 162, 164-166, 172 & 173) and had 33 holes being processed and analyzed, with eight holes in progress.

## Apollo

Mineralization in the drill holes reported here was intercepted from 400 m to 700 m vertically below the surface and 600 m below the base of the historic Apollo Mine. The three holes are some of the deepest east-west holes at Apollo and represent an 80 m to 120 m down dip extension of six high-grade mineralized domains. Two intervals from **SDDSC158** exceed 100 gram-metres AuEq and one interval from **SDDSC149W1** >50 gram-metres AuEq.

Drill holes **SDDSC149** and **SDDSC149W1** extended two mineralized domains in the down-dip direction by 95 m to 105 m. The daughter hole (**SDDSC149W1**) was wedged at 593 m with the intention of testing strike length of mineralized zones within Apollo Deeps, while utilizing the existing parent hole to save cost and time. **SDDSC149W1** successfully tested the strike extent of three mineralized domains at depth and achieved a downhole separation of between 14 m to 23 m from the parent hole in the mineralized area of interest.

Highlights from **SDDSC149W1** include:

- **2.3 m @ 3.0 g/t AuEq** (2.7 g/t Au, 0.1% Sb) from 599.2 m
- **2.6 m @ 1.6 g/t AuEq** (1.4 g/t Au, 0.1% Sb) from 611.2 m
- **1.3 m @ 4.6 g/t AuEq** (4.6 g/t Au, 0.0% Sb) from 788.6 m
- **1.5 m @ 3.4 g/t AuEq** (2.1 g/t Au, 0.5% Sb) from 844.9 m
- **1.0 m @ 2.0 g/t AuEq** (1.3 g/t Au, 0.3% Sb) from 860.6 m
- **0.8 m @ 9.4 g/t AuEq** (9.3 g/t Au, 0.0% Sb) from 898.2 m
- **1.2 m @ 47.7 g/t AuEq** (47.7 g/t Au, 0.0% Sb) from 956.7 m

Highlights from **SDDSC149** include:

- **0.5 m @ 14.5 g/t AuEq** (13.3 g/t Au, 0.5% Sb) from 592.9 m
- **2.0 m @ 7.0 g/t AuEq** (5.7 g/t Au, 0.5% Sb) from 599.2 m, including:
  - **0.8 m @ 14.4 g/t AuEq** (14.3 g/t Au, 0.1% Sb) from 599.2 m
- **0.1 m @ 200.7 g/t AuEq** (140.0 g/t Au, 25.4% Sb) from 631.0 m
- **0.2 m @ 53.9 g/t AuEq** (53.9 g/t Au, 0.0% Sb) from 643.2 m
- **2.0 m @ 1.1 g/t AuEq** (0.9 g/t Au, 0.0% Sb) from 839.3 m
- **3.7 m @ 5.4 g/t AuEq** (5.1 g/t Au, 0.1% Sb) from 845.9 m, including:
  - **0.4 m @ 39.3 g/t AuEq** (39.3 g/t Au, 0.0% Sb) from 848.2 m
- **0.5 m @ 6.4 g/t AuEq** (6.4 g/t Au, 0.0% Sb) from 945.6 m

**SDDSC158** was drilled to extend five, and infill two high-grade mineralized domains from Apollo East and Apollo Deeps. The drill hole traversed a cumulative prospective corridor (downhole length of altered sediment, dyke, breccia) of 240 m which included broader zones of mineralization including **100.5 m @ 3.4 g/t AuEq** (3.1 g/t Au, 0.1% Sb) from 820.8 m (no lower cut). Critically all high grade veins sets were intercepted successfully where expected.

Highlights from **SDDSC158** included:

- **1.8 m @ 1.7 g/t AuEq** (1.5 g/t Au, 0.1% Sb) from 567.3 m
- **4.3 m @ 2.0 g/t AuEq** (0.8 g/t Au, 0.5% Sb) from 574.0 m
- **0.7 m @ 7.5 g/t AuEq** (5.6 g/t Au, 0.8% Sb) from 585.0 m
- **2.4 m @ 1.0 g/t AuEq** (0.8 g/t Au, 0.1% Sb) from 592.8 m
- **2.5 m @ 1.1 g/t AuEq** (0.8 g/t Au, 0.1% Sb) from 604.9 m
- **2.3 m @ 1.7 g/t AuEq** (0.8 g/t Au, 0.4% Sb) from 614.8 m
- **1.4 m @ 14.3 g/t AuEq** (13.1 g/t Au, 0.5% Sb) from 620.9 m, including:
  - **0.4 m @ 45.1 g/t AuEq** (43.2 g/t Au, 0.8% Sb) from 621.7 m
- **0.5 m @ 4.2 g/t AuEq** (3.5 g/t Au, 0.3% Sb) from 832.1 m
- **0.2 m @ 10.2 g/t AuEq** (10.2 g/t Au, 0.0% Sb) from 836.6 m
- **28.6 m @ 10.9 g/t AuEq** (10.3 g/t Au, 0.2% Sb)\* (ETW 17 m) from 844.9 m (3m @ 0.5 g/t Au lower cut), including:
  - **9.7 m @ 10.6 g/t AuEq** (9.3 g/t Au, 0.5% Sb) from 844.9 m, including:
    - **0.8 m @ 24.5 g/t AuEq** (22.9 g/t Au, 0.7% Sb) from 846.5 m
    - **3.1 m @ 24.4 g/t AuEq** (21.7 g/t Au, 1.1% Sb) from 849.8 m
  - **4.3 m @ 1.2 g/t AuEq** (0.7 g/t Au, 0.2% Sb) from 858.5 m
  - **1.4 m @ 142.8 g/t AuEq** (142.2 g/t Au, 0.3% Sb) from 865.7 m, including:
    - **0.2 m @ 825.9 g/t AuEq** (823.0 g/t Au, 1.2% Sb) from 865.7 m
- **2.5 m @ 1.8 g/t AuEq** (0.1 g/t Au, 0.7% Sb) from 884.9 m
- **0.3 m @ 28.3 g/t AuEq** (28.3 g/t Au, 0.0% Sb) from 912.3 m

Subsequent to the end of Q4/2025:

**SDDSC164** confirmed the infill strategy by intersecting seven mineralized vein sets with two high-grade cores, plus one entirely new vein set. The hole demonstrated consistent mineralization along strike with a 42 m along-strike extension of the A30 vein set.

High-grade gold intercepts include **0.2 m @ 111 g/t Au** from 259.3 m (170 m vertically below surface), representing the fourth +100 g/t Au sample interval within 180 m of surface at Apollo.

Extended highlights include:

- **1.9 m @ 16.5 g/t AuEq** (14.4 g/t Au, 0.9% Sb) from 198.0 m
- **0.5 m @ 14.1 g/t AuEq** (7.1 g/t Au, 2.9% Sb) from 207.3 m, including:
  - **0.8 m @ 10.7 g/t AuEq** (5.5 g/t Au, 2.2% Sb) from 207.3 m
- **4.5 m @ 1.5 g/t AuEq** (0.5 g/t Au, 0.4% Sb) from 210.8 m, including:
  - **0.1 m @ 138.7 g/t AuEq** (87.1 g/t Au, 21.6% Sb) from 217.9 m
- **0.6 m @ 29.5 g/t AuEq** (19.4 g/t Au, 4.2% Sb) from 217.9 m
- **3.5 m @ 11.7 g/t AuEq** (5.1 g/t Au, 2.8% Sb) from 223.6 m, including:
  - **0.9 m @ 39.3 g/t AuEq** (15.4 g/t Au, 10.0% Sb) from 223.6 m
- **0.3 m @ 110.3 g/t AuEq** (62.3 g/t Au, 20.1% Sb) from 243.5 m
- **14.4 m @ 5.9 g/t AuEq** (3.9 g/t Au, 0.8% Sb) from 252.9 m, including:
  - **2.8 m @ 14.9 g/t AuEq** (10.7 g/t Au, 1.8% Sb) from 258.9 m
  - **2.6 m @ 9.0 g/t AuEq** (4.9 g/t Au, 1.7% Sb) from 262.9 m
- **3.6 m @ 1.4 g/t AuEq** (1.2 g/t Au, 0.1% Sb) from 278.2 m
- **3.1 m @ 2.8 g/t AuEq** (1.8 g/t Au, 0.4% Sb) from 292.1 m

High-grade antimony results include three individual high-grade assays:

- 0.1 m @ 138.7 g/t AuEq (87.1 g/t Au, **21.6% Sb**) from 217.9 m
- 0.9 m @ 39.3 g/t AuEq (15.4 g/t Au, **10.0% Sb**) from 223.6 m
- 0.3 m @ 110.3 g/t AuEq (62.3 g/t Au, **20.1% Sb**) from 243.5 m

**SDDSC159** drilled as geological control hole to test the near surface fault offset of the dyke and altered sediment proximal to the Golden Orb fault successfully confirmed the fault offset position and discovered up 60 m of prospective dyke and altered sediment to the east of the Golden Orb Fault.



This discovery is adjacent to the historic Gladys Mine, which had the longest vein set mined on the project at 104 m, suggesting significant potential for near-surface mineralization in this newly identified area. Highlights included **0.8 m @ 2.9 g/t AuEq** (2.8 g/t Au) from 86.7 m.

**SDDSC168W1** successfully intercepted five vein sets in Golden Dyke and returned exceptional high-grade gold and antimony mineralization. Significant individual results including 168 g/t Au and 0.9% Sb over 0.2 m from 723.4 m, and 68.2 g/t Au and 48.9% Sb over 0.3 m from 776.4 m, with the antimony results representing the third highest individual antimony result recorded on the project to date. SDDSC168W1 represents one of the deepest holes reported at Golden Dyke with the western side of Golden Dyke extended vertically 560 m below surface. These significant grades alongside the textural recognition of two high-grade vein sets (GD70 and GD90) highlight the tenor of Golden Dyke as further drilling continues to target and expand the high-grade mineralization.

Key highlights include:

- **1.9 m @ 16.5 g/t AuEq** (16.3 g/t Au, 0.1% Sb) from 723.4 m, including:
  - **0.2 m @ 170.2 g/t AuEq** (168.0 g/t Au, 0.9% Sb) from 723.4 m
- **0.4 m @ 27.3 g/t AuEq** (27.3 g/t Au, 0.0% Sb) from 760.0 m
- **0.5 m @ 164.3 g/t AuEq** (96.8 g/t Au, 28.2% Sb) from 776.4 m

**SDDSC168** was drilled east-west to intercept the lower Golden Dyke system, the hole was abandoned after exiting mineralization early due to deviation and re-drilled as wedge hole (**SDDSC168W1** see above) to target the Golden Dyke system. The periphery of RS01 vein set was intercepted in the hole.

Highlights include:

- **2.4 m @ 2.9 g/t AuEq** (1.4 g/t Au, 0.6% Sb) from 458.6 m
- **1.7 m @ 8.6 g/t AuEq** (1.3 g/t Au, 3.1% Sb) from 471.8 m, including:
  - **1.3 m @ 11.6 g/t AuEq** (1.8 g/t Au, 4.1% Sb) from 472.2 m

**SDDSC171** was drilled as an infill hole targeting the Golden Dyke system. The east-west oriented hole intercepted six known vein sets within the Golden Dyke system and intersected high-grade in a previously unmodelled vein set at 130 m vertically below surface (166 m downhole). SDDSC171 was positioned to infill a gap of approximately 100 m to 110 m of vertical spacing between the previous holes SDDSC130 and SDDSC132, successfully confirming the continuity of high-grade mineralization within the Golden Dyke system.

Key highlights include:

- **0.9 m @ 68.1 g/t AuEq** (68.1 g/t Au, 0.0% Sb) from 166.1 m
- **0.4 m @ 47.1 g/t AuEq** (7.9 g/t Au, 16.4% Sb) from 171.6 m
- **0.2 m @ 56.6 g/t AuEq** (36.2 g/t Au, 8.5% Sb) from 427.5 m
- **2.8 m @ 13.7 g/t AuEq** (9.8 g/t Au, 1.6% Sb) from 457.1 m, including:
  - **0.2 m @ 119.8 g/t AuEq** (117.0 g/t Au, 1.2% Sb) from 457.6 m
- **0.8 m @ 16.6 g/t AuEq** (5.1 g/t Au, 4.8% Sb) from 459.1 m
- **4.2 m @ 4.5 g/t AuEq** (2.8 g/t Au, 0.7% Sb) from 502.8 m
- **1.4 m @ 8.9 g/t AuEq** (5.1 g/t Au, 1.6% Sb) from 503.8 m

**SDDSC175**, drilled on a west-east orientation, has successfully extended the Golden Dyke system by 50 m to the west of known vein sets with mineralization intersected approximately 50 m vertically below surface, highlighting the potential for mineralization from very shallow depths. The hole intercepted nine vein sets, including two previously unknown vein sets located outside the current exploration target area. This result demonstrates the potential for further expansion west of the Golden Dyke system towards Christina and supports the Company's strategy to systematically target extensions of the known mineralized corridor.

Key highlights include:

- **6.0 m @ 1.4 g/t AuEq** (1.4 g/t Au, 0.0% Sb) from 163.0 m
- **1.7 m @ 6.6 g/t AuEq** (5.8 g/t Au, 0.3% Sb) from 203.4 m, including:
  - **0.6 m @ 18.0 g/t AuEq** (17.3 g/t Au, 0.3% Sb) from 204.6 m
- **3.4 m @ 3.5 g/t AuEq** (3.2 g/t Au, 0.1% Sb) from 262.6 m, including:
  - **1.0 m @ 8.8 g/t AuEq** (8.4 g/t Au, 0.2% Sb) from 264.0 m
- **1.7 m @ 8.6 g/t AuEq** (5.7 g/t Au, 1.2% Sb) from 312.1 m, including:
  - **1.4 m @ 9.8 g/t AuEq** (6.5 g/t Au, 1.4% Sb) from 312.1 m

- **0.8 m @ 13.4 g/t AuEq** (11.4 g/t Au, 0.8% Sb) from 318.9 m
- **11.6 m @ 3.4 g/t AuEq** (1.8 g/t Au, 0.7% Sb) from 329.6 m, including:
  - **1.8 m @ 4.5 g/t AuEq** (2.5 g/t Au, 0.8% Sb) from 330.6 m
  - **0.6 m @ 12.6 g/t AuEq** (3.8 g/t Au, 3.7% Sb) from 334.4 m
  - **2.0 m @ 4.7 g/t AuEq** (2.7 g/t Au, 0.8% Sb) from 339.2 m

## Rising Sun

**SDDSC152** served as an important south-north control hole that successfully intersected the dyke breccia altered host 130 m to 170 m below existing drilling and intercepted mineralization on both the hanging wall and footwall of the dyke, with intervals of **0.5 m @ 1.11 g/t Au** from 1047.2 metres and **0.2 m @ 4.76 g/t Au** from 986.7 m indicating the mineralized system continues to at least 0.97 km depth on the western margins of Rising Sun as already drill tested on the eastern side of Rising Sun.

**SDDSC155** was abandoned at 29.3 m depth after re-entering previously drilled hole **SDDSC122** and becoming unrecoverable.

**SDDSC155A** provided significant value by extending two mineralized vein sets 40 m to 50 m down dip and delivering high-grade infill on a third vein set that showed impressive thickening up to 7 m true width, highlighted by a high-grade intercept of **0.1 m @ 370.7 g/t AuEq** from 682.5 m.

Highlights include:

- **0.3 m @ 56.1 g/t AuEq** (40.3 g/t Au, 6.6% Sb) from 602.3 m, including:
  - **0.2 m @ 92.3 g/t AuEq** (66.0 g/t Au, 11.0% Sb) from 602.3 m
- **1.5 m @ 3.2 g/t AuEq** (2.6 g/t Au, 0.3% Sb) from 620.3 m
- **2.0 m @ 3.2 g/t AuEq** (3.0 g/t Au, 0.1% Sb) from 651.6 m, including:
  - **0.6 m @ 8.5 g/t AuEq** (8.0 g/t Au, 0.3% Sb) from 653.0 m
- **1.7 m @ 1.5 g/t AuEq** (1.4 g/t Au, 0.0% Sb) from 666.0 m
- **2.0 m @ 1.7 g/t AuEq** (1.6 g/t Au, 0.0% Sb) from 670.6 m
- **4.5 m @ 6.6 g/t AuEq** (5.7 g/t Au, 0.4% Sb) from 674.9 m, including:
  - **2.1 m @ 11.0 g/t AuEq** (9.4 g/t Au, 0.7% Sb) from 674.9 m
  - **0.6 m @ 9.1 g/t AuEq** (8.2 g/t Au, 0.4% Sb) from 678.7 m
- **0.1 m @ 370.7 g/t AuEq** (370.0 g/t Au, 0.3% Sb) from 682.5 m
- **4.0 m @ 1.0 g/t AuEq** (0.8 g/t Au, 0.1% Sb) from 695.8 m
- **5.1 m @ 1.6 g/t AuEq** (1.3 g/t Au, 0.1% Sb) from 752.8 m

**SDDSC161** delivered exceptional results with the second highest interval ever drilled at Sunday Creek, intercepting **3.4 m @ 466.4 g/t AuEq** from 508.4 m, including a higher-grade core of **2.4 m @ 671.0 g/t AuEq** from 509.5 m, plus the third highest individual assay of 4,700 g/t Au over 0.2 m. **SDDSC161** was drilled 27 m up dip from **SDDSC082** ([October 23, 2023](#) – 1.7 m @ 254.2 g/t AuEq and 1.6 m @ 500.3 g/t AuEq) and 11 m along strike from **SDDSC110** ([April 15, 2024](#) – 0.7 m @ 11.7 g/t AuEq).

Extended highlights include:

- **0.4 m @ 15.3 g/t AuEq** (11.9 g/t Au, 1.4% Sb) from 473.7 m
- **7.8 m @ 7.0 g/t AuEq** (2.2 g/t Au, 2.0% Sb) from 478.6 m, including:
  - **2.3 m @ 13.0 g/t AuEq** (4.7 g/t Au, 3.5% Sb) from 479.7 m
  - **0.6 m @ 18.6 g/t AuEq** (1.2 g/t Au, 7.3% Sb) from 483.7 m
  - **0.4 m @ 18.3 g/t AuEq** (6.1 g/t Au, 5.1% Sb) from 486.0 m
- **3.4 m @ 466.4 g/t AuEq** (466.0 g/t Au, 0.2% Sb) from 508.4 m, including:
  - **2.4 m @ 671.0 g/t AuEq** (670.4 g/t Au, 0.2% Sb) from 509.5 m

This lower interval also included two of the top ten individual assays ever intercepted at Sunday Creek:

- **4,700 g/t Au** over 0.2 m from 511.3 m (3<sup>rd</sup> highest on the project)
- **1,510 g/t Au** over 0.3 m from 510.4 m (9<sup>th</sup> highest on the project)

Subsequent to the end of the quarter, **SDDSC162** delivered exceptional results with the tenth best interval drilled at Sunday Creek, intercepting **3.9 m @ 124.9 g/t AuEq** (124.6 g/t Au, 0.1% Sb) from 705.9 m, including higher grades with individual assays up to 2,110 g/t Au.

This hole was strategically drilled 28 m down-dip from [SDDSC144](#) (3.6 m @ 18.2 g/t AuEq), and 41 m down-dip from [SDDSC082](#) (2.6 m @ 50.9 g/t AuEq), with all intercepts exhibiting clear geologically similar features and consistent structural orientations in the RS17 Vein set, demonstrating the predictability of the geological model.

The drillhole intersected eight known vein sets with three high-grade cores, plus four entirely new vein sets, highlighting how infill drilling continues to discover additional mineralization beyond original interpretations.

Extended highlights include:

- **2.1 m @ 16.5 g/t AuEq** (12.6 g/t Au, 1.7% Sb) from 578.4 m, including:
  - **0.5 m @ 66.6 g/t AuEq** (51.9 g/t Au, 6.1% Sb) from 580.0 m
- **0.2 m @ 39.8 g/t AuEq** (25.3 g/t Au, 6.1% Sb) from 593.0 m
- **2.5 m @ 5.8 g/t AuEq** (5.6 g/t Au, 0.1% Sb) from 603.1 m, including:
  - **0.1 m @ 82.3 g/t AuEq** (81.9 g/t Au, 0.2% Sb) from 604.0 m
- **7.0 m @ 4.0 g/t AuEq** (3.9 g/t Au, 0.0% Sb) from 607.7 m, including:
  - **1.9 m @ 11.0 g/t AuEq** (10.9 g/t Au, 0.0% Sb) from 608.9 m
- **0.3 m @ 19.7 g/t AuEq** (19.0 g/t Au, 0.3% Sb) from 617.9 m
- **4.7 m @ 5.3 g/t AuEq** (5.1 g/t Au, 0.1% Sb) from 628.8 m, including:
  - **0.1 m @ 228.0 g/t AuEq** (228.0 g/t Au, 0.0% Sb) from 632.9 m
- **0.4 m @ 499.8 g/t AuEq** (499.7 g/t Au, 0.0% Sb) from 655.8 m
- **0.3 m @ 110.6 g/t AuEq** (108.0 g/t Au, 1.1% Sb) from 672.9 m
- **10.2 m @ 3.4 g/t AuEq** (3.3 g/t Au, 0.1% Sb) from 686.3 m, including:
  - **1.2 m @ 18.6 g/t AuEq** (18.5 g/t Au, 0.1% Sb) from 695.4 m
- **0.4 m @ 29.6 g/t AuEq** (29.5 g/t Au, 0.0% Sb) from 698.6 m, including:
  - **0.2 m @ 46.2 g/t AuEq** (46.2 g/t Au, 0.0% Sb) from 698.8 m
- **3.9 m @ 124.9 g/t AuEq** (124.6 g/t Au, 0.1% Sb) from 705.9 m, including:
  - **3.1 m @ 155.4 g/t AuEq** (155.1 g/t Au, 0.1% Sb) from 706.6 m
- **0.1 m @ 48.3 g/t AuEq** (48.2 g/t Au, 0.0% Sb) from 723.8 m
- **3.5 m @ 2.0 g/t AuEq** (1.6 g/t Au, 0.2% Sb) from 743.3 m
- **2.3 m @ 5.4 g/t AuEq** (5.4 g/t Au, 0.0% Sb) from 775.1 m, including:
  - **0.5 m @ 19.6 g/t AuEq** (19.6 g/t Au, 0.0% Sb) from 776.1 m
- **1.0 m @ 7.8 g/t AuEq** (7.6 g/t Au, 0.1% Sb) from 798.3 m

## Golden Dyke

Mineralization in **SDDSC147** and **SDDSC151** was intercepted between vertical depths of 320 m to 620 m from the surface (130 m to 445 m below the base of Golden Dyke workings). The two drillholes were the deepest east-west oriented holes of multiple mineralized structures at Golden Dyke and represent a 90 m to 120 m down dip extension (from **SDDSC141**, reported [28 November, 2024](#)).

**SDDSC147** drilled a 235 m zone of mineralization in the hanging wall zone at Golden Dyke, expanding the potential strike length and demonstrating continuity of mineralization. The broad prospective window reinforces the geological model and provides additional targets for follow-up drilling. \*

Highlights included:

- **1.3 m @ 8.0 g/t AuEq** (7.9 g/t Au, 0.0% Sb) from 19.3 m
- **1.3 m @ 9.3 g/t AuEq** (9.3 g/t Au, 0.0% Sb) from 134.4 m
  - **0.9 m @ 11.3 g/t AuEq** (11.3 g/t Au, 0.0% Sb) from 134.7 m
- **3.2 m @ 1.0 g/t AuEq** (1.0 g/t Au, 0.0% Sb) from 805.0

**SDDSC151** was drilled to test the footwall and intersected four distinct vein sets along with a high-grade zone hosted within a sub-parallel and sub-vertical dyke at 382.2 m depth. This was important as this previously unrecognized host position demonstrated upside to expand mineralization at Golden Dyke in potential parallel zones. The hole drilled a 120 m zone of mineralization in the footwall zone at Golden Dyke.

Notably, the hole returned:

- One interval exceeding 100 gram-metres AuEq
  - **5.4 m @ 29.8 g/t AuEq** (29.6 g/t Au, 0.1% Sb) from 584.3 m

- Two intervals between 50 and 100 gram-metres AuEq
  - **3.2 m @ 18.0 g/t AuEq** (18.0 g/t Au, 0.0% Sb) from 382.2 m
  - **4.2 m @ 13.5 g/t AuEq** (13.2 g/t Au, 0.1% Sb) from 604.5 m

Extended highlights included:

- **3.2 m @ 18.0 g/t AuEq** (18.0 g/t Au, 0.0% Sb) from 382.2 m
  - **0.4 m @ 129.7 g/t AuEq** (129.6 g/t Au, 0.0% Sb) from 382.4 m
- **0.2 m @ 16.1 g/t AuEq** (16.1 g/t Au, 0.0% Sb) from 430.7 m
- **5.4 m @ 29.8 g/t AuEq** (29.6 g/t Au, 0.1% Sb) from 584.3 m
  - **4.7 m @ 33.7 g/t AuEq** (33.5 g/t Au, 0.1% Sb) from 585.0 m
- **0.6 m @ 4.2 g/t AuEq** (4.1 g/t Au, 0.1% Sb) from 596.2 m
- **4.2 m @ 13.5 g/t AuEq** (13.2 g/t Au, 0.1% Sb) from 604.5 m
  - **1.4 m @ 37.3 g/t AuEq** (37.3 g/t Au, 0.0% Sb) from 606.8 m
- **0.3 m @ 9.0 g/t AuEq** (2.8 g/t Au, 2.6% Sb) from 624.9 m
- **0.4 m @ 78.7 g/t AuEq** (78.7 g/t Au, 0.0% Sb) from 641.2 m
  - **0.1 m @ 270.0 g/t AuEq** (270.0 g/t Au, 0.0% Sb) from 641.2 m

**SDDSC154**, drilled from the same collar location as SDDSC156, had limited success as it exited the mineralized system earlier than anticipated (drilled outside the “rails of the ladder”), intercepting only minor mineralization of **0.9 m @ 2.7 g/t AuEq** from 287.2 m in a parallel dyke structure within the hanging wall, though it provided valuable structural information for future.

Highlights include:

- **0.9 m @ 2.7 g/t AuEq** (2.7 g/t Au, 0.0% Sb) from 287.2 m

**SDDSC156** achieved outstanding results by intersecting a 125 m wide mineralized zone and discovering seven vein sets, six of which were entirely new discoveries. This drill hole demonstrates the consistent repeatability of mineralized vein sets and highlights how east-west oriented drill holes can successfully identify new structures when following up on earlier north-south control holes.

Extended highlights include:

- **0.1 m @ 21.2 g/t AuEq** (1.2 g/t Au, 8.4% Sb) from 239.2 m
- **0.9 m @ 2.6 g/t AuEq** (1.9 g/t Au, 0.3% Sb) from 244.0 m
- **0.9 m @ 5.6 g/t AuEq** (2.6 g/t Au, 1.3% Sb) from 248.0 m
- **0.2 m @ 41.4 g/t AuEq** (30.9 g/t Au, 4.4% Sb) from 253.1 m
- **4.6 m @ 1.5 g/t AuEq** (1.0 g/t Au, 0.2% Sb) from 260.8 m
- **3.0 m @ 13.7 g/t AuEq** (7.3 g/t Au, 2.7% Sb) from 267.8 m, including:
  - **1.6 m @ 24.0 g/t AuEq** (13.0 g/t Au, 4.6% Sb) from 267.8 m
- **0.2 m @ 17.2 g/t AuEq** (1.8 g/t Au, 6.5% Sb) from 286.9 m
- **3.4 m @ 4.9 g/t AuEq** (4.1 g/t Au, 0.3% Sb) from 289.7 m, including:
  - **0.6 m @ 12.8 g/t AuEq** (12.6 g/t Au, 0.1% Sb) from 292.5 m
- **0.7 m @ 3.2 g/t AuEq** (0.9 g/t Au, 1.0% Sb) from 297.4 m
- **3.8 m @ 2.0 g/t AuEq** (0.7 g/t Au, 0.5% Sb) from 309.8 m, including:
  - **0.8 m @ 7.2 g/t AuEq** (2.0 g/t Au, 2.2% Sb) from 309.8 m
- **5.1 m @ 0.9 g/t AuEq** (0.5 g/t Au, 0.2% Sb) from 316.5 m
- **3.3 m @ 1.4 g/t AuEq** (0.7 g/t Au, 0.3% Sb) from 330.5 m
- **0.7 m @ 9.9 g/t AuEq** (9.1 g/t Au, 0.4% Sb) from 356.0 m
- **2.0 m @ 3.7 g/t AuEq** (2.5 g/t Au, 0.5% Sb) from 359.1 m
- **2.7 m @ 2.6 g/t AuEq** (0.6 g/t Au, 0.8% Sb) from 371.8 m

**SDDSC157** delivered a strong result, successfully extending known mineralization with 40 m to 45 m down dip extensions on the GD90 and GD100 vein sets and importantly achieving a 120 m down dip extension on the GD80 vein set.

Extended highlights include:

- **1.4 m @ 4.9 g/t AuEq** (4.6 g/t Au, 0.1% Sb) from 19.0 m
- **2.3 m @ 2.1 g/t AuEq** (2.1 g/t Au, 0.0% Sb) from 24.2 m

- **2.9 m @ 1.3 g/t AuEq** (1.2 g/t Au, 0.0% Sb) from 621.4 m
- **0.4 m @ 162.6 g/t AuEq** (161.9 g/t Au, 0.3% Sb) from 647.0 m, including:
  - **0.2 m @ 262.7 g/t AuEq** (262.0 g/t Au, 0.3% Sb) from 647.0 m
- **0.4 m @ 5.3 g/t AuEq** (5.3 g/t Au, 0.0% Sb) from 666.2 m
- **0.3 m @ 53.8 g/t AuEq** (39.9 g/t Au, 5.8% Sb) from 693.2 m, including:
  - **0.2 m @ 75.4 g/t AuEq** (56.2 g/t Au, 8.0% Sb) from 693.2 m
- **0.3 m @ 41.8 g/t AuEq** (41.8 g/t Au, 0.0% Sb) from 703.8 m
- **2.8 m @ 1.4 g/t AuEq** (1.4 g/t Au, 0.0% Sb) from 908.1 m

## Christina

The company released **SDDSC173** subsequent to the end of the quarter which represented a key result with four instances of visible gold identified in core and the intersection of **four entirely new vein sets** beyond the original geological interpretations.

Key highlights include:

- **1.3 m @ 1.9 g/t AuEq** (1.3 g/t Au, 0.3% Sb) from 502.9 m
- **2.7 m @ 17.1 g/t AuEq** (16.3 g/t Au, 0.3% Sb) from 681.8 m, including:
  - **2.5 m @ 18.4 g/t AuEq** (17.6 g/t Au, 0.4% Sb) from 681.8 m
- **0.3 m @ 13.0 g/t AuEq** (12.3 g/t Au, 0.3% Sb) from 686.9 m
- **2.9 m @ 14.4 g/t AuEq** (14.4 g/t Au, 0.0% Sb) from 701.0 m, including:
  - **0.6 m @ 58.0 g/t AuEq** (58.0 g/t Au, 0.0% Sb) from 701.0 m
  - **0.4 m @ 17.3 g/t AuEq** (17.2 g/t Au, 0.0% Sb) from 703.5 m
- **1.8 m @ 1.6 g/t AuEq** (1.5 g/t Au, 0.0% Sb) from 724.8 m

**SDDSC160W2** delivered the project's deepest intersections to date at Christina demonstrating the system continues 350 m at depth below the high-grade down-dip extension of drill hole [SDDSC137W2](#) which successfully intersected three high-grade vein sets and significant visible gold including **1.7 m @ 254.0 g/t AuEq** (250.8 g/t Au, 1.7% Sb) from 208.2 m.. This represents a significant expansion of the known mineralized envelope and demonstrates the robust nature of the gold-antimony system at depth. SDDSC160W2 intersected multiple mineralized zones down to 926.2 m depth (580 m below surface).

Key intersections include:

- **1.1 m @ 3.7 g/t AuEq** (1.0 g/t Au, 1.1% Sb) from 719.8 m depth
- **2.7 m @ 1.1 g/t AuEq** (0.5 g/t Au, 0.3% Sb) from 738.5 m depth
- **1.2 m @ 4.6 g/t AuEq** (4.5 g/t Au, 0.0% Sb) from 809.8 m depth
- **0.5 m @ 5.0 g/t AuEq** (5.0 g/t Au, 0.0% Sb) from 870.8 m depth
- **0.4 m @ 6.7 g/t AuEq** (6.7 g/t Au, 0.0% Sb) from 908.5 m depth
- **1.0 m @ 9.5 g/t AuEq** (9.4 g/t Au, 0.0% Sb) from 926.2 m depth
- **0.3 m @ 8.9 g/t AuEq** (8.8 g/t Au, 0.0% Sb) from 958.6 m depth

Results from **SDDSC166** and **SDDSC172** represent the westernmost intersections within the main Sunday Creek zone, bringing the total strike length of the mineralized corridor to 1.5 km from Apollo East to Christina West. This represents a significant expansion of the known mineralized footprint and validates the geological model's predictive capabilities.

**SDDSC166** confirmed the systematic approach with higher grades closer to surface:

- **7.1 m @ 5.2 g/t AuEq** (4.9 g/t Au, 0.1% Sb) from 296.7 m, including:
  - **0.1 m @ 76.8 g/t AuEq** (74.8 g/t Au, 0.8% Sb) from 296.7 m
  - **0.5 m @ 27.4 g/t AuEq** (27.3 g/t Au, 0.1% Sb) from 303.3 m
- **0.5 m @ 6.8 g/t AuEq** (6.7 g/t Au, 0.0% Sb) from 470.4 m

**SDDSC172** provided valuable geological control and confirmed mineralization continuity:

- **1.6 m @ 2.0 g/t AuEq** (1.8 g/t Au, 0.1% Sb) from 248.2 m
- **4.6 m @ 0.8 g/t AuEq** (0.4 g/t Au, 0.1% Sb) from 428.5 m

**SDDSC165**, a shallow 101m hole designed for geological control to define the edges of the host sequence (“rails” of the ladder), as was anticipated, returned low-grade mineralization, helping to define the lateral extent of the main mineralized host.

### Exploration Target Expansion

The Company announced a doubling of the Exploration Target at Sunday Creek during the quarter.

The estimated range of potential mineralization for the Exploration Target is (also see Tables 1 and 2):

- **8.1 – 9.6 million tonnes grading from 8.3 g/t gold equivalent (“AuEq”) to 10.6 g/t AuEq for:**
- 1.0 2.2 M oz AuEq to 3.2 M oz AuEq**
- 2.0 The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been completed in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (“JORC”).**

The Exploration Target is constrained to **three of the four** main areas along the strike of the dyke breccia host on the project: Rising Sun (over 340 m strike), Apollo (over 280 m strike) and Golden Dyke (over 400 m strike) for a total **1,020 m** of strike. This does not include the recently drilled high grade Christina mineralization and strike represents approximately 67% of the 1.5 km strike of the main drill footprint to date at Sunday Creek.

The 2025 Exploration Target demonstrates strong growth compared to the 2024 Exploration Target reported January 23, 2024, with **tonnage increasing by up to 88%, grades improving by up to 15%, and total contained AuEq metal growing by up to 120%.** The project's spatial coverage has expanded significantly, **now covering 67% of the 1.5 km main drill footprint**, while technical improvements include a **40% increase in drill holes, nearly double the assay results**, more than tripled density measurements, and **deeper mineralization reaching 1,120 m below surface.** These comprehensive advancements underscore the project's expanding scale while maintaining its exceptional high-grade characteristics.

*Table 1. Sunday Creek Exploration Target for Apollo, Rising Sun, Golden Dyke at the Sunday Creek Project*

Range	Tonnes (Mt)	AuEq g/t*	Au g/t	Sb %	Au Eq (Moz)	Au (Moz)	Sb (kt)
<b>Lower Case</b>	8.1	8.3	6.4	0.8	2.2	1.7	66.6
<b>Upper Case</b>	9.6	10.6	8.3	0.9	3.2	2.6	88.2

*Table 2. Exploration Targets for Rising Sun, Apollo and Golden Dyke prospects at the Sunday Creek Project*

Prospect	Tonnes Range (Mt)		AuEq Grade Range (g/t)		Au Grade Range (g/t)		Sb Grade Range (%)		Contained AuEq (Moz)		Contained Au (Moz)		Contained Sb (Kt)	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
<b>Rising Sun</b>	3.1	3.8	11.3	16.1	9.3	13.7	0.8	1.0	1.1	2	0.9	1.7	25.4	38.3
<b>Apollo</b>	3.2	3.6	5.9	6.4	4.2	4.5	0.7	0.8	0.6	0.7	0.4	0.5	23.1	28.6
<b>Golden Dyke</b>	1.8	2.1	7.6	7.6	5.2	5.2	1.0	1.0	0.4	0.5	0.3	0.4	18.1	21.4
<b>Total</b>	8.1	9.6	8.3	10.6	6.4	8.3	0.8	0.9	2.2	3.2	1.7	2.6	66.6	88.2

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



Further and more detailed information on the Exploration Target can be found in the announcement dated March 3, 2025 [here](#).

### **Future Exploration Tunnel**

The Company commenced the permitting process for an underground exploration tunnel at Sunday Creek during the quarter and was submitted as a formal application to the Victorian Resources regulator in calendar Q3/2025.

- The proposed exploration tunnel is planned to be approximately 160 meters deep and 1,000 meters long, enabling underground drilling in 2026 (subject to permitting)
- Underground drilling will allow the Company to introduce more drill rigs that operate day and night without increasing impacts to the community
- The site will be located and accessed via SXGC owned land
- Extensive environmental surveys have been undertaken to ensure minimal impacts on the local environment and community (for more information see [www.southerncrossgoldcommunity.com.au](http://www.southerncrossgoldcommunity.com.au))
- Drop-in information sessions scheduled across Mitchell Shire for community engagement have been undertaken

### **Stage 2 Metallurgical Test Results**

Subsequent to the end of the quarter, the Company released the results of its Stage 2 metallurgical test results that identified specialized collector chemistry that successfully separates antimony minerals from arsenic-bearing minerals, solving a key requirement while maintaining excellent gold recovery, highlighted a triple product stream and de-risked Sunday Creek for further development.

### **Stage 1 Sighter Tests - Proving the Concept**

The metallurgical journey at Sunday Creek began with initial sighter testing conducted on two drill holes from the project reported in [January 11 2024](#). This work demonstrated that the mineralization responded well to standard gravity recovery and selective flotation processing, producing high recovery of both gold and antimony to separate high value concentrates.

The initial program successfully outlined an indicative flow sheet for Sunday Creek consisting of gravity separation of gold, followed by bulk or sequential flotation of gold and sulphides. This resulted in high recoveries of both gold and antimony into products that were anticipated to be readily saleable, while also highlighting the non-refractory nature of native gold at Sunday Creek with a high proportion of native ('free') gold in both test samples, with 84.0% in the RS01 sample and 82.1% in the AP01 sample.

The initial results were highly encouraging, achieving **total gold recovery of 93.3% to 97.6%** across three separate products, with primary antimony recovery of 89.5% to 94.3% in antimony concentrates. The samples also demonstrated high cyanide solubility of gold at moderate grind size (74.8% to 68.4%) and effective gravity recovery of 18% to 33% to high-grade concentrates ranging from 185 to 1,090 g/t Au.

### **Stage 2 Development - The Significant Development**

Building on the initial sighter test results, the development team embarked on a Stage 2 program designed to investigate three critical areas: 1) gravity recovery optimization with upgrading of rougher products, 2) flotation enhancement using a range of chemical conditions and specialized collectors to improve selectivity between sulphide minerals in the antimony flotation stage while maintaining high overall gold recovery, and 3) advanced processing of flotation concentrates to assess the metallurgical response of contained gold.

The dataset examined included 66 mineralized intersections from the Apollo prospect and 74 from the Rising Sun prospect, providing a robust foundation for understanding metallurgical variability across the deposit. Two bulk samples were prepared from selected drill core intersections to enable preliminary evaluation of spatial and mineralogical composition variability across the main project zones.

The Apollo composite (AP02) comprised 46.0 kg of material grading 4.84 g/t Au, 1.33% Sb, and 0.17% As. The Rising Sun composite (RS02) totalled 49.0 kg with grades of 5.83 g/t Au, 0.73% Sb, and 0.33% As. A Rising Sun Deep composite (RS03) representing the deeper, higher-grade zones with 32.5 kg of material grading 21.8 g/t Au,

0.24% Sb, and 0.25% As was selected for testing with the enhanced processing strategy and conditions. Further data from RS03 will be presented when results become available.

### Current Significant Achievement

This work centres on the successful development of selective flotation conditions using specialized collectors that effectively separate stibnite (antimony sulphide) from arsenopyrite and pyrite, addressing a general challenge for antimony-gold projects globally. This work was conducted at the ALS Burnie Laboratory, Tasmania. Recent test work using selective flotation methodology achieved positive results (Table 1) through single rougher plus cleaner flotation stages. The results demonstrate an improvement in both recovery and selectivity compared to initial testing.

**Table 1: Rougher-Cleaner Concentrate Assays (Post gravity extraction)**

Parameter	AP02 Sample	RS02 Sample	Units
Gold Grade	93.2	59.3	g/t
Antimony Grade	53.1	48.2	%
Arsenic Grade	0.14	0.16	%
Iron Grade	3.71	3.42	%
Sulphur Grade	25.2	22.1	%
Calcium Grade	0.53	1.37	%
Magnesium Grade	0.45	0.84	%

The gold grade of the concentrate reflects the interplay between the proportion of feed gold associated with arsenic-iron sulphides, the ratio of gold to antimony in the feed, the gold recovered to the metallic gold product, and the flotation rate of gold in the first flotation stage.

Converting these concentrate assays to representative mineral percentages (Table 2) reveals the purity achieved through the process:

**Table 2: Mineral Composition Analysis**

Mineral Phase	AP02 Sample (%)	RS02 Sample (%)
Stibnite	74.2	67.3
Arsenopyrite	0.3	0.4
Pyrite	7.8	5.6
Non-Sulphide Gangue	17.7	26.8

### Performance Metrics - Validation of Success

**Antimony** recovery to concentrate ranged from 83.2% to 92.7% depending on feed type, while achieving antimony concentrate arsenic grades of 0.1% to 0.2%, significantly below the 0.6% thresholds typically required by antimony smelters.

The process consistently produces antimony concentrate grades up to 53.1% with gold grades in antimony concentrate reaching up to 93.2 g/t, while maintaining overall gold recovery of 91.8% to 95.6% across the three product streams.

### Strategic Processing Framework

The development work has established a sophisticated three-product processing strategy that maximizes value recovery through complementary extraction methods (Table 3).

- The first product stream focuses on gravity metallic gold concentrate, achieving direct recovery of native gold representing up to 51.4% of feed gold to high-grade concentrates with minimal processing requirements.
- The second and most significant development involves the antimony-gold concentrate, producing high-grade concentrates up to 53.1% Sb with low arsenic content below 0.2% As. These concentrates are potentially highly marketable to antimony smelters and could offer excellent potential payabilities.



- The third product stream captures remaining free gold and gold associated with pyrite-arsenopyrite in a marketable and leachable sulphide concentrate, ensuring high overall gold recovery is maintained across the entire process.

**Table 3: Gold Distribution Across Products**

Product	AP02 Au Recovery	RS02 Au Recovery	Product Quality
<b>Metallic Gold</b>	<b>37.3%</b>	<b>51.4%</b>	<b>Direct recovery</b>
<b>Antimony-Gold Con</b>	<b>36.5%</b>	<b>28.8%</b>	<b>59-93 g/t Au</b>
<b>Au-S Concentrate</b>	<b>18.0%</b>	<b>15.5%</b>	<b>7-23 g/t Au</b>
<b>Total Recovery</b>	<b>91.8%</b>	<b>95.6%</b>	

### **Comprehensive Testing Methodology**

The success of this work resulted from a comprehensive testing program that included diagnostic LeachWELL testing, gravity recovery optimization, timed flotation with chemical condition variations, two-stage bulk rougher flotation with separate cleaning stages, gravity testing of concentrates, and cyanide solubility analysis. Quarter core samples were crushed, homogenised and split for analysis at ALS Burnie Laboratory, with diagnostic cyanide leaching conducted alongside gravity recovery using Knelson concentrator technology with Mozley Panner upgrade and extensive flotation testing with staged reagent additions.

### **Future Development Pathway**

The results demonstrate significant scope for further optimization through additional cleaning stages to remove non-sulphide gangue, multi-stage cleaning optimization, locked-cycle testing for overall recovery confirmation, and process recycling optimization. Future testing will focus on understanding the effect of grind size on recoveries, understanding gold-rich/lower antimony grades within deeper mineralization, and creating geometallurgical models across deposit zones.

This milestone relates to laboratory-based test work and does not involve any changes to site activities. Southern Cross Gold remains committed to ongoing consultation and transparency with our local community as the project advances through study phases.

### **Increased diamond drill rigs mobilized**

The Company mobilized two further diamond drill rigs to Sunday Creek during the quarter to focus on infill drilling. In summary:

- Seven rigs will continue expansion and infill drilling in the 1.5 km long core drill area between Apollo and Christina
- One rig will be dedicated to drilling regional targets along the 12 km mineralized trend and parallel trends, defined by historic workings, geophysics, geology and soil anomalies
- One rig completed a geotechnical program (5 holes for 900 m) to establish the detailed nature of fault structures and rock quality in the areas of planned underground development for the Exploration Tunnel. This drill program, complemented by groundwater monitoring and environmental studies, provided essential data to support the Exploration Tunnel application scheduled for Q3 2025 ([announced 11<sup>th</sup> March, 2025](#)).

### **Additional Exploration Activities**

#### **Induced Polarisation (IP) geophysical survey.**

- The IP survey extended over 12 km<sup>2</sup> and covered 6 km strike (of the 12 km) of the dyke and altered sediment hosted gold mineralized trend to cover significant historical mining areas including Tonal, Leviathan, Consols and Aftermath. Parallel dyke trends were also tested. Analysis and interpretation are now ongoing and further results will be released once complete.
- Additionally, [Fleet Space Technologies](#) undertook an orientation real time ANT (Ambient Noise Tomography) passive seismic and gravity survey at Sunday Creek. The survey area was approximately 3 km<sup>2</sup> and covered the Sunday Creek core drill area. The Fleet sensors utilized satellite arrays for live

data transfer and AI processing technology, with an aim to map the host dyke and altered sediment structure.

**Regional soil sample programs ongoing:** A large-scale 2,200 soil sample program is in progress which will infill previous sampling and expand coverage 5.3 km<sup>2</sup> southward to test for parallel dyke trends.

### **Mineralization, Scale and Comparison to Other Epizonal Deposits**

Mineralization at Sunday Creek is structurally controlled, with increased mineralization associated with brittle-ductile shear veins that show quartz-stibnite extension veining, stibnite-gold-matrix breccias and disseminated mineralization in the form of arsenian pyrite, pyrite and arsenopyrite. The host for mineralization is an east to north-east trending zone of intensely altered 'bleached' sericite-carbonate +/- silica altered siltstones and dyke rocks that ranges from 50 m to 200 m wide. A larger arsenic anomaly is associated with gold mineralization, mostly represented by arsenian-pyrite but arsenopyrite-bearing zones predominate below 700 m vertical depth with a clear spatial relationship to high-grade gold. A sulphidic (pyritic) halo, predominately in bleached pyrite-sericitic veins rounds out the larger visible alteration footprint.

Mineralized vein sets cross the host structure at on a predominate north-west orientation and are typically 10 m to 40 m wide (cut off dependent), 20 m to 60 m along strike, and 300 m to 830 m down-dip. As compared to other deposits, Sunday Creek benefits from the presence of multiple high-grade veins. Mineralized shoots at Sunday Creek can also be formed at the intersection of the sub-vertical to shallower dipping 330 degree (NW) striking mineralized veins sets and the east-west striking, steeply north dipping structure hosting dioritic dykes and related intrusive breccias. Higher grades of mineralization are often observed to concentrate on the dyke/altered sediment interface within individual vein sets.

At Sunday Creek, and as is typical for epizonal deposits (for example Fosterfield and Costerfield, Reefton (NZ)), visible gold becomes increasingly significant at depth below approximately 500 m at Sunday Creek. This represents the different temperatures and changes in structural regimes of formation of epizonal Au-Sb and Au dominant mineralization. Gold at Sunday Creek is hosted in quartz and carbonate vein sets, associated with stibnite bearing veins and breccias.

### **Critical Metal Epizonal Gold-Antimony Deposits**

Sunday Creek is an epizonal gold-antimony deposit formed in the late Devonian (like Fosterfield, Costerfield and Redcastle), 60 million years later than mesozonal gold systems formed in Victoria (for example Ballarat and Bendigo). Epizonal deposits are a form of orogenic gold deposit classified according to their depth of formation: epizonal (<6 km), mesozonal (6-12 km) and hypozonal (>12 km).

Epizonal deposits in Victoria often have associated high levels of the critical metal, antimony, and Sunday Creek is no exception. China claims a 56 per cent share of global mined supplies of antimony, according to a 2023 European Union study. Antimony features highly on the critical minerals lists of many countries including Australia, the United States of America, Canada, Japan and the European Union. Australia ranks seventh for antimony production despite all production coming from a single mine at Costerfield in Victoria, located nearby to all SXGC projects. Antimony alloys with lead and tin which results in improved properties for solders, munitions, bearings and batteries. Antimony is a prominent additive for halogen-containing flame retardants. Adequate supplies of antimony are critical to the world's energy transition, and to the high-tech industry, especially the semi-conductor and defence sectors where it is a critical additive to primers in munitions.

In August 2024, the Chinese government announced it will place export limits from September 15, 2024 on antimony and antimony products. This will put pressure on Western defence supply chains and negatively affect the supply of the metal and push up pricing given China's dominance of the supply of the metal in the global markets. This is positive for SXGC as we are likely to have one of the very few large and high-quality projects of antimony in the western world that can feed western demand into the future.

Antimony represents approximately 20% in situ recoverable value of Sunday Creek at an AuEq of 1.88.

## Gold Equivalent Calculation

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

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

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

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

## Corporate

### \$143,000,000 Private Placement Completed

The Company completed an upsized \$143,000,000 Private Placement during the quarter at a price of \$4.50 per common share and/or CDI at a price of AUD \$5.10 per CDI, allowing it to be fully funded to deliver the following key milestones in the growth and development of Sunday Creek:

- \$53,000,000 for drilling targeted to establish an Inferred Resource by Q1 2027
- \$27,000,000 for 1 km decline development to accelerate access to mineralization
- \$4,000,000 for a Preliminary Economic Assessment in respect of Sunday Creek
- \$59,000,000 for exploration target expansion, regional exploration along the 12 km mineralized trend, working capital and general and administrative expenses over three years.

Stifel Nicolaus Canada Inc. and Aitken Mount Capital Partners Pty Ltd acted as joint lead managers and joint bookrunners together with Jett Capital Advisors, as co-manager.

### Graduation to the TSX Main Board

The Company received final approval from TSX to list its common shares on the TSX main board at market open on Wednesday, July 2, 2025 and, as a result, the SXGC shares were delisted from TSX Venture Exchange. The Company continues to trade on the ASX under the trading symbol “SX2”.

## Index Inclusions

The Company was included in two indices during the quarter, the S&P/ASX All Ordinaries Index and the MSCI Australia Small Cap Index. Inclusion into these indices increases interest from institutional investors, index funds, and exchange-traded funds (ETFs) that track them and enhances the Company's visibility and trading liquidity. The Company continues to assess its potential inclusion into further indices on both the TSX and ASX markets and other jurisdictions globally.

## Safety

SXGC recorded zero total recordable injuries (“TRI”) and zero lost time injuries (“LTI”) during the quarter.

## ESG

SXGC advanced its environmental, social, and governance (ESG) initiatives during the quarter. Key highlights included:

- **Environmental** – Progressed baseline studies and vegetation offset assessments, advanced the dewatering licence submittal and EPA pathway for the exploration decline, while maintaining strong biosecurity and land management practices across landholdings. Released a series of community Fact Sheets for the exploration decline covering noise, blasting, air quality, surface water, groundwater, visual amenity, and ecology, which were published on the SXGC community hub website, distributed through the community mailing list, via letterbox drops, and referred to in local media. SXGC also undertook environmental weed control, including the spraying of 30 hectares of blackberries and mulching of a further 15 hectares to improve land condition and biodiversity outcomes.
- **Social** – Continued active engagement through the Sunday Creek Community Reference Group, community information sessions, and site tours. Held targeted meetings with neighbours and independent specialists who provided input to the exploration decline submittal, addressing specific resident concerns. Entered a partnership with the Broadford Men’s Shed to produce core blocks and awarded funding through the SXGC Community Grants Program. Successful recipients this quarter included the Kilmore Girl Guides, Kilmore Scouts, SES Kilmore, Community Radio OKR FM, Wandong History Group, and Upper Plenty Merri Landcare. SXGC also became a sponsor of the Kilmore Cricket Club and hosted a stand at the Mitchell Shire Careers Expo, attended by all local high schools in the region.
- **Governance** – Rolled out Safe Ag Systems software across farming operations and commenced evaluation of digital safety systems for exploration. During the quarter, the Company also hosted a preliminary WorkSafe meeting in relation to the proposed exploration decline

## Qualified Person

Michael Hudson President & CEO of the Company, and a Fellow of the Australasian Institute of Mining and Metallurgy, a qualified person as defined by National Instrument 43-101 - Standards of Disclosure of Mineral Projects, has prepared, reviewed, verified and approved the scientific and technical information in this MD&A.

## Financial Data

### *Share Consolidation*

On January 10, 2025, the Company completed a consolidation of its share capital on a one new for 3.169432 old basis in conjunction with the corporate restructuring under the SIA. The share and per share amounts have been adjusted to reflect the share consolidation. See also “Company Overview”.

### *Selected Financial Data*

Effective October 30, 2023, the Company entered into an agreement to sell Mawson Oy. The sale closed on December 19, 2023. The segment of Mawson Oy meets the criteria of a discontinued operation under IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*. This operating segment was not previously classified as held-for-sale or as discontinued operations. The comparative consolidated statements of comprehensive loss and cash flows have been restated to show the discontinued operations separately from continuing operations.

In January 2025, the Company completed the spin-out of its uranium assets through the SUA Arrangement and acquired the remaining ordinary shares of SXG AUS that it did not already own by way of the SXG AUS Scheme, as described in “Company Overview”.

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Years Ended May 31,		
	2025 \$	2024 \$	2023 \$
<b>Operations:</b>			
Revenues	Nil	Nil	Nil
Expenses	(5,911,123)	(5,888,440)	(4,622,904)
Other items	(2,162,886)	(2,029,742)	(1,344,474)
Loss from continuing operations	(8,074,009)	(7,918,182)	(5,967,378)
Loss from discontinued operations	Nil	(39,456,229)	(668,201)
Other comprehensive loss	(1,483,951)	(344,212)	(896,716)
Comprehensive loss	(9,557,960)	(47,718,623)	(7,532,295)
Basic and diluted loss per share from continuing operations	(0.06)	(0.03)	(0.02)
Basic and diluted loss per share from discontinued operations	Nil	(0.13)	(0.00)
Dividends per share	Nil	Nil	Nil
<b>Comprehensive loss attributed to:</b>			
Shareholders of the Company	(8,142,845)	(43,989,494)	(5,401,791)
Non-controlling interest	(1,415,115)	(3,729,129)	(2,130,504)
<b>Balance Sheet:</b>			
Working capital	148,767,628	14,384,726	13,113,119
Total assets	245,163,954	40,409,261	76,223,760
Total long-term liabilities	(1,066,806)	(103,519)	(710,097)

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2025				Fiscal 2024			
	May 31 2025 \$	Feb 28 2025 \$	Nov 30 2024 \$	Aug 31 2024 \$	May 31 2024 \$	Feb 29 2024 \$	Nov 30 2023 \$	Aug 31 2023 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(3,241,222)	(997,440)	(390,647)	(1,281,814)	(842,669)	(1,141,972)	(2,578,516)	(1,325,283)
Other items	701,939	(1,436,724)	(2,022,080)	593,979	(611,809)	(954,496)	1,085	(464,522)
(Loss) income from continuing operations	(2,539,283)	(2,434,164)	(2,412,727)	(687,835)	(1,454,478)	(2,096,468)	(2,577,431)	(1,789,805)
Loss from discontinued operations	Nil	Nil	Nil	Nil	Nil	Nil	(39,165,671)	(154,136)
Other comprehensive (loss) income	(701,427)	(351,579)	(573,646)	142,701	(301,697)	(463,105)	748,634	(328,044)
Comprehensive loss	(3,240,710)	(2,785,743)	(2,986,373)	(545,134)	(1,756,175)	(2,559,573)	(40,994,468)	(2,771,985)
Basic and diluted loss per share from continuing operations	(0.02)	(0.02)	(0.02)	(0.00)	(0.01)	(0.02)	(0.03)	(0.02)
Basic and diluted loss per share from discontinued operations	Nil	Nil	Nil	Nil	Nil	Nil	(0.42)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Comprehensive loss attributed to:</b>								
Shareholders of the Company	(8,142,845)	(2,073,591)	(2,117,072)	(490,368)	(880,724)	(1,477,195)	(40,293,120)	(1,338,455)
Non-controlling interest	(1,415,115)	(712,152)	(869,301)	(54,766)	(1,011,873)	(1,082,378)	(701,348)	(933,530)
<b>Balance Sheet:</b>								
Working capital	148,767,628	14,756,360	5,425,387	11,625,413	14,384,726	10,609,307	5,365,287	9,098,100
Total assets	245,163,954	105,220,669	39,263,268	42,083,125	40,409,261	33,385,786	36,554,054	74,585,846
Total long-term liabilities	(1,066,806)	(618,242)	(651,826)	(673,080)	(103,519)	(133,386)	(664,583)	(666,260)

## Results of Operations for Continuing Operations

As at the date of this MD&A, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests; therefore, the expenses are not subject to seasonal fluctuations or general trends. The Company's expenses and cash requirements will fluctuate from period to period depending on the level of activity and, therefore, lack some degree of comparability. The Company's quarterly results may be affected by many factors

such as timing of exploration activity, share-based payment costs, marketing activities and other factors that affect Company's exploration and financing activities. Furthermore, the Company's net loss/income may also be affected by the current fair value of its investments held.

*Three Months Ended May 31, 2025 Compared to Three Months Ended February 28, 2025*

During the three months ended May 31, 2025 ("Q4") the Company reported a net loss of \$2,539,283 compared to a net loss of \$2,434,164 for the three months ended February 28, 2025 ("Q3"), an increase in loss of \$105,119. There were significant fluctuations within the categories.

Significant fluctuations were reported in the following:

- (i) the recognition of a \$344,858 loss in Q3 (mainly in the investment in the Nagambie shares) compared to a \$39,322 loss in Q4;
- (ii) the recognition of a foreign exchange gain of \$439,158 in Q4 compared to a foreign exchange loss of \$490,305 in Q3, resulting in a fluctuation of \$929,463;
- (iii) an increase in general and administrative expenses of \$2,243,782, from \$997,440 in Q3 to \$3,241,222 in Q4. During Q4 the Company recognized share-based compensation of \$1,481,723 on the granting and vesting of share options and RSUs compared to \$26,880 in Q3; and
- (iv) the recognition of \$613,577 for corporate restructuring costs in Q3 compared to \$69,844 in Q4 resulting in a fluctuation of \$543,733. These costs relate to the SIA, as described in "Company Overview".

*Three Months Ended May 31, 2025 Compared to Three Months Ended May 31, 2024*

During the three months ended May 31, 2025 ("Q4/2025") the Company reported a net loss of \$2,529,283 compared to a net loss of \$1,454,478 for the three months ended May 31, 2024 ("Q4/2024"), an increase in loss of \$1,084,805. Significant fluctuations were recorded in the following:

- (i) an increase in general and administrative expenses of \$2,398,553 from \$842,669 in Q4/2024 to \$3,241,222 in Q4/2025. During Q4/2025 the Company recognized share-based compensation of \$1,481,723 on the granting and vesting of share options and RSUs compared to \$5,339 in Q4/2024;
- (ii) the recognition of a \$522,099 unrealized holding loss in Q4/2024 (mainly in the investment in the Nagambie shares) compared to a gain of \$39,322 in Q4/2025 resulting in a fluctuation of \$561,421; and
- (iii) the recognition of a foreign exchange of \$3,664 in Q4/2024 compared to a foreign exchange gain of \$439,158 in Q4/2025 resulting in a fluctuation of \$435,494.

*Year Ended May 31, 2025 Compared to Year Ended May 31, 2024*

During the year ended May 31, 2025 ("fiscal 2025") the Company reported a net loss of \$8,074,009 compared to a net loss of \$47,374,411 for the year ended May 31, 2024 ("fiscal 2024") a decrease in loss of \$39,300,402. The decrease in loss was attributed to:

- (i) during fiscal 2024 the Company recorded a loss of discontinued operations of \$39,456,229 mainly attributed to the impairment charge on the Rajapalot Gold Project property to reflect its net realizable value of \$6,490,760;
- (ii) during fiscal 2025 the Company recorded a \$281,291 unrealized holding gain mainly due to an appreciation of the share price of its investment in the Nagambie shares, compared to a \$1,283,173 loss recognized in fiscal 2024, resulting in a fluctuation of \$1,564,464;
- (iii) during fiscal 2025 the Company recognized \$2,625,076 for restructuring costs associated with the SIA; and
- (iv) during fiscal 2025 the Company recorded a foreign exchange gain of \$166,306 compared to a foreign exchange loss of \$184 in fiscal 2024.

As the Company is in the exploration stage of investigating and evaluating its unproven mineral interests, it has no source of operating revenue. Interest income is generated from cash on deposit and short-term money market instruments issued by major financial institutions. During fiscal 2025 the Company reported interest of \$375,882 compared to \$172,807 during fiscal 2024 due to increased levels of cash held during fiscal 2025.

## Results from Discontinued Operations of Mawson Oy

Pursuant to a share purchase agreement dated October 30, 2023 the Company agreed to sell all of the issued share capital and intercompany debt of Mawson Oy to Mawson Finland Limited (“Mawson Finland”) (formerly *Springtide Capital Acquisitions 7 Inc.*) for \$6,500,000 cash (the “Springtide Transaction”). On December 19, 2023 (the “Closing”) Mawson Finland paid \$6,500,000 to the Company and completed the Springtide Transaction pursuant to which Mawson Oy became a wholly-owned subsidiary of Mawson Finland.

Prior to the completion of the Springtide Transaction, during fiscal 2024 the Company reported a loss from discontinued operation of Mawson Oy of \$39,456,229.

## Non-controlling interest in SXG AUS

In fiscal 2023 SXG AUS completed a private placement of its common shares further diluting the Company’s interest to 50.99%. In fiscal 2024 SXG AUS completed a private placement and a rights offering, issued ordinary shares for the exercise of share options, Lead Manager Options and Broker Options and, as a result, the Company’s ownership interest was diluted to 49.6% as at May 31, 2024. During fiscal 2025 SXG AUS issued ordinary shares and the Company’s ownership interest was diluted to 43.6% prior to the SIA. On January 23, 2025 the Company completed the SIA and SXG AUS became a wholly-owned subsidiary of the Company.

## Investments

As at May 31, 2025				
	Number	Cost \$	Unrealized Loss \$	Carrying Value \$
Common shares				
Nagambie Resources Limited (“Nagambie”)	53,361,046	1,768,741	(1,013,319)	755,422
Kingsmen Resources Limited (“Kingsmen”)	18,750	45,000	(26,625)	18,375
		<u>1,813,741</u>	<u>(1,039,944)</u>	<u>773,797</u>
As at May 31, 2024				
	Number	Cost \$	Unrealized Loss \$	Carrying Value \$
Common shares				
Nagambie Resources Limited (“Nagambie”)	53,361,046	1,768,741	(1,282,798)	485,943
Kingsmen Resources Limited (“Kingsmen”)	18,750	45,000	(38,437)	6,563
		<u>1,813,741</u>	<u>(1,321,235)</u>	<u>492,506</u>

## Financings

During fiscal 2025 the Company completed a private placement totalling 31,800,078 common shares, at \$4.50 per common share, for total gross proceeds of \$143,100,351. The Company paid \$2,898,946 cash and issued 335,116 common shares at a fair value of \$1,508,022, for finders’ fees and incurred \$423,022 for legal and other costs associated with the private placement. The net proceeds from the private placement are expected to be used in the growth and development of the Sunday Creek Gold-Antimony Project as follows:

- ◇ \$53,000,000 for drilling targeted to establish an Inferred Resource by Q1/2027;
- ◇ \$27,000,000 for 1 km decline development to accelerate access to mineralization;
- ◇ \$4,000,000 for a Preliminary Economic Assessment in respect of Sunday Creek; and
- ◇ \$59,000,000 for exploration target expansion, regional exploration along the 12 km mineralized trend, working capital and general and administrative costs over three years.

No financings were completed by the Company during fiscal 2024.

## Exploration and Evaluation Assets

	As at May 31, 2025			Total \$
	Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	
Australia				
Sunday Creek	42,754,936	26,675,072	2,103,249	72,533,257
Redcastle	284,794	2,128,418	(259,441)	2,153,771
	<u>43,039,730</u>	<u>29,803,490</u>	<u>1,843,808</u>	<u>74,687,028</u>
	As at May 31, 2024			Total \$
	Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	
Sweden				
Skelleftea North	70,357	281,381	-	351,738
Other	40,748	7,134	-	47,882
Australia				
Sunday Creek	799,058	17,281,134	281,602	18,361,794
Redcastle	56,244	1,722,606	(17,296)	1,761,554
	<u>966,407</u>	<u>19,292,255</u>	<u>264,306</u>	<u>20,522,968</u>

During fiscal 2025 the Company incurred a total of \$52,984,178 (2024 - \$10,076,493) on the acquisition, exploration and evaluation of its unproven resource assets on its Australian properties net of foreign exchange movement. During fiscal 2025 the Company recorded an impairment of \$361,289 on the Skelleftea North Gold Project.

During fiscal 2024 the Company incurred \$686,847 on its Rajapalot Property and \$29,536 on its Swedish properties. The Company also recorded an impairment of \$39,020,951 to the Rajapalot Property to reflect its net realizable value of \$6,490,760 which was then realized on completion of the Springtide Transaction with Mawson Finland on December 19, 2023 and an impairment of \$919,192 on the Whroo JV in Australia.

## Financial Condition / Capital Resources

As at May 31, 2025 the Company had working capital in the amount of \$148,767,628. To date the Company has not earned any revenue and is considered to be in the exploration stage. Management considers that the Company has adequate resources to maintain its core operations, conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months. See also “Financial Data - Financings”.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Proposed Transactions

The Company has no proposed transactions.

## Critical Accounting Estimates

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



A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the May 31, 2025 audited annual consolidated financial statements.

### Changes in Accounting Policies

There were no changes to accounting policies.

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the May 31, 2025 audited annual consolidated financial statements.

### Related Parties Disclosures

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

- (a) During fiscal 2025 and 2024 the following fees were incurred by the Company to current and former key management personnel:

	2025 \$	2024 \$
<b>Current Directors and Officers</b>		
Professional fees - Mr. Hudson - President, CEO and director	439,074	321,787
Professional fees - Mr. DeMare - CFO	33,000	24,000
Professional fees - Mr. Eadie - Non-Executive Chairman and director <sup>(1)</sup>	28,942	-
Professional fees - Ms. Carnegie - director <sup>(1)</sup>	72,012	-
Professional fees - Mr. Henstridge - director <sup>(1)</sup>	22,809	-
Professional fees - Ms. Bermudez - Corporate Secretary	61,500	42,000
<b>Former Directors</b>		
Professional fees - Ms. Ahola - director <sup>(1)</sup>	10,500	86,503
Professional fees - Mr. Williams - former director <sup>(1)</sup>	10,500	18,000
Professional fees - Mr. Jentz - former director <sup>(2)</sup>	-	7,500
Professional fees - Mr. Griffin - former director <sup>(1)</sup>	31,613	18,000
Professional fees - Mr. Maclean - former director <sup>(3)</sup>	-	4,500
Professional fees - Mr. MacRae - former director <sup>(4)</sup>	-	2,420
	<u>709,950</u>	<u>524,710</u>

(1) On January 23, 2025, the Company completed the SXG AUS Scheme, and Mr. Eadie, Mr. Henstridge and Ms. Carnegie replaced Ms. Ahola, Mr. Griffin and Mr. William as directors of the Company;

(2) Mr. Jentz was appointed as a director of the Company on September 8, 2022 and resigned as a director October 27, 2023.

(3) Mr. MacLean passed away August 22, 2023.

(4) Mr. MacRae was appointed as a director of the Company on October 27, 2023 and resigned on December 19, 2023.

During fiscal 2025 the Company incurred a total of \$709,950 (2024 - \$524,710) to current and former key management personnel for salaries and fees which have been allocated based on the nature of the services provided: expensed \$540,043 (2024 - \$316,029) to administration and corporate costs, expensed \$20,000 (2024 - \$nil) to corporate restructuring costs and capitalized \$149,907 (2024 - \$208,681) to exploration and evaluation assets. As at May 31, 2025 \$nil (2024 - \$31,500) remained unpaid.

During fiscal 2025 the Company also recorded \$660,000 (2024 - \$588,447) share-based compensation for the granting and vesting of share options to key management personnel.

- (b) During fiscal 2025 the Company incurred a total of \$73,500 (2024 - \$64,000) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare for accounting and administration services provided by Chase personnel, excluding Mr. DeMare and \$4,020 (2024 - \$4,020) for rent. As at May 31, 2025 \$9,170 (2024 - \$4,670) remained unpaid.

During fiscal 2025 the Company also recorded \$247,500 (2024 - \$nil) share-based compensation for the granting of share options to Chase.

## **Risks and Uncertainties**

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

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

## **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares without par value. As at August 28, 2025 there were 258,504,148 issued and outstanding common shares. In addition, there were:

- (i) 1,236,373 share options outstanding, at exercise prices ranging from \$0.76 to \$3.38 per share;
- (ii) 10,070,000 share options outstanding, at exercise prices ranging from AUD \$0.30 to AUD \$1.20 per share;
- (iii) 750,000 Lead Manager share options outstanding, at an exercise price of AUD \$0.87; and
- (iv) 310,019 restricted share units ("RSUs") outstanding, of which 100,000 RSUs have vested and 210,019 RSUs remain subject to vesting provisions.