
MAWSON GOLD LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
FEBRUARY 29, 2024

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MAWSON GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	February 29, 2024 \$	May 31, 2023 \$
ASSETS			
Current assets			
Cash		11,245,372	14,680,432
GST/VAT receivable		181,217	220,396
Prepaid expenses and deposits		<u>119,630</u>	<u>91,760</u>
Total current assets		<u>11,546,219</u>	<u>14,992,588</u>
Non-current assets			
Investments	4	1,135,697	1,896,771
Property, plant and equipment	5	3,178,910	2,096,311
Exploration and evaluation assets	6	17,210,867	56,160,996
Right of use assets	7	219,789	840,375
Bonds		<u>94,304</u>	<u>236,719</u>
Total non-current assets		<u>21,839,567</u>	<u>61,231,172</u>
TOTAL ASSETS		<u>33,385,786</u>	<u>76,223,760</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		850,713	1,739,932
Current portion of lease liabilities	7	<u>86,199</u>	<u>139,537</u>
Total current liabilities		<u>936,912</u>	<u>1,879,469</u>
Non-current liabilities			
Lease liabilities	7	<u>133,386</u>	<u>710,097</u>
TOTAL LIABILITIES		<u>1,070,298</u>	<u>2,589,566</u>
EQUITY			
Share capital	8	97,198,809	93,993,681
Share-based payments reserve		9,550,948	10,683,524
Equity attributable to parent		8,268,857	8,268,857
Foreign currency translation reserve		(453,920)	(431,946)
Deficit		<u>(95,837,105)</u>	<u>(52,750,309)</u>
Equity attributable to Company shareholders		18,727,589	59,763,807
Non-controlling interest	9	<u>13,587,899</u>	<u>13,870,387</u>
TOTAL EQUITY		<u>32,315,488</u>	<u>73,634,194</u>
TOTAL LIABILITIES AND EQUITY		<u>33,385,786</u>	<u>76,223,760</u>

Nature of Operations - see Note 1

Events after the Reporting Period - see Note 14

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on April 26, 2024 and are signed on its behalf by:

/s/ Noora Ahola
Noora Ahola
Director

/s/ Michael Hudson
Michael Hudson
Director

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

MAWSON GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS INCOME
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended		Nine Months Ended	
		February 29, 2024 \$	February 28, 2023 \$	February 29, 2024 \$	February 28, 2023 \$
Expenses					
Accounting and administration	10(b)	47,730	32,563	189,068	155,192
Accretion of interest on lease liabilities	7	3,106	973	39,620	973
Audit		-	767	100,721	112,207
Corporate development		127,559	104,564	318,848	306,801
Depreciation and amortization	5 & 7	41,994	21,653	177,922	42,106
Director and officer compensation	10	65,676	191,113	208,492	616,772
General exploration		-	14,648	-	42,835
Legal		66,826	3,323	238,247	167,231
Office and sundry		30,447	52,292	185,618	137,574
Professional fees		100,009	26,902	547,144	272,995
Regulatory fees		34,884	4,979	94,768	72,069
Rent		1,508	38,954	26,830	120,375
Salaries and benefits		225,779	131,968	613,587	303,557
Share-based compensation	8(d)	287,608	1,415,106	2,336,306	1,671,837
Shareholder costs		7,106	7,997	47,638	20,267
Transfer agent		5,719	7,425	33,043	30,291
Travel		96,021	57,381	186,775	147,395
		<u>1,141,972</u>	<u>2,112,608</u>	<u>5,344,627</u>	<u>4,220,477</u>
Loss before other items		<u>(1,141,972)</u>	<u>(2,112,608)</u>	<u>(5,344,627)</u>	<u>(4,220,477)</u>
Other items					
Interest income		86,851	51,075	100,375	103,578
Foreign exchange		20,634	(280,471)	(3,848)	(501,938)
Impairment provision	6(a),(c)(iii)	(753,386)	(903,463)	(39,774,337)	(903,463)
Unrealized (loss) gain on investments	4(b)	(308,595)	(1,049,007)	(761,074)	86,069
		<u>(954,496)</u>	<u>(2,181,866)</u>	<u>(40,438,884)</u>	<u>1,215,754</u>
Net loss for the period		<u>(2,096,468)</u>	<u>(4,294,474)</u>	<u>(45,783,511)</u>	<u>(5,436,231)</u>
Other comprehensive income					
Currency translation adjustment		<u>(463,105)</u>	<u>215,590</u>	<u>(42,515)</u>	<u>277,451</u>
Comprehensive loss for the period		<u>(2,559,573)</u>	<u>(4,078,884)</u>	<u>(45,826,026)</u>	<u>(5,158,780)</u>
Net loss attributable to:					
Shareholders of the Company		(1,244,926)	(3,755,364)	(43,086,796)	(4,488,798)
Non-controlling interest		<u>(851,542)</u>	<u>(539,110)</u>	<u>(2,696,715)</u>	<u>(947,433)</u>
Net loss for the period		<u>(2,096,468)</u>	<u>(4,294,474)</u>	<u>(45,783,511)</u>	<u>(5,436,231)</u>
Comprehensive loss attributable to:					
Shareholders of the Company		(1,477,195)	(3,586,076)	(43,108,770)	(4,282,393)
Non-controlling interest		<u>(1,082,378)</u>	<u>(492,808)</u>	<u>(2,717,256)</u>	<u>(876,387)</u>
Comprehensive loss for the period		<u>(2,559,573)</u>	<u>(4,078,884)</u>	<u>(45,826,026)</u>	<u>(5,158,780)</u>
Basic and diluted loss per common share		<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.15)</u>	<u>\$(0.02)</u>
Weighted average number of common shares outstanding		<u>300,615,042</u>	<u>293,654,800</u>	<u>297,406,741</u>	<u>293,612,133</u>

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

MAWSON GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

Nine Months Ended February 29, 2024								
Share Capital								
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Equity Attributable to Parent \$	Foreign Currency Translation Reserve \$	Deficit \$	Non-controlling Interest \$	Total Equity \$
Balance at May 31, 2023	294,810,810	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	7,987,500	1,907,550	-	-	-	-	-	1,907,550
- warrants	1,100,010	165,002	-	-	-	-	-	165,002
Transfer on exercise of:								
- share options	-	1,066,575	(1,066,575)	-	-	-	-	-
- warrants	-	66,001	(66,001)	-	-	-	-	-
Share-based compensation:								
- share options	-	-	-	-	-	-	2,336,306	2,336,306
Currency translation adjustment	-	-	-	-	(21,974)	-	(20,541)	(42,515)
Net loss for the period	-	-	-	-	-	(43,086,796)	(2,696,715)	(45,783,511)
Change in ownership interest in subsidiary	-	-	-	-	-	-	98,462	98,462
Balance at February 29, 2024	303,898,320	97,198,809	9,550,948	8,268,857	(453,920)	(95,837,105)	13,587,899	33,315,488

Nine Months Ended February 28, 2023								
Share Capital								
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Equity Attributable to Parent \$	Foreign Currency Translation Reserve \$	Deficit \$	Non- controlling Interest \$	Total Equity \$
Balance at May 31, 2022	293,590,800	93,723,078	9,402,625	2,839,864	16,412	(47,796,876)	7,329,366	65,514,469
Common shares issued for:								
- share options	120,000	27,600	-	-	-	-	-	27,600
Transfer on exercise of share options		12,000	(12,000)	-	-	-	-	-
Share-based compensation								
- share options	-	-	1,358,900	-	-	-	312,937	1,671,837
Currency translation adjustment	-	-	-	-	206,405	-	71,046	277,451
Net loss for the period	-	-	-	-	-	(4,488,798)	(947,433)	(5,436,231)
Change in ownership interest in subsidiary	-	-	-	4,071,311	-	-	9,601,543	13,672,854
Balance at February 28, 2023	293,710,800	93,762,678	10,749,525	6,911,175	222,817	(52,285,674)	16,367,459	75,727,980

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

MAWSON GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended	
	February 29, 2024 \$	February 28, 2023 \$
Operating activities		
Net loss for the period	(45,783,511)	(5,436,231)
Adjustments for:		
Depreciation and amortization	177,922	42,106
Impairment provision	39,774,337	903,463
Foreign exchange	7,236	7,779
Share-based compensation	2,336,306	1,671,837
Accretion of interest on lease liability	39,620	973
Unrealized loss (gain) on investments	761,074	(86,069)
Changes in non-cash working capital items:		
GST/VAT receivables	38,179	(191,226)
Prepaid expenses and deposits	(27,870)	66,733
Accounts payable and accrued liabilities	286,535	(119,036)
Net cash used in operating activities	<u>(2,390,172)</u>	<u>(3,139,671)</u>
Investing activities		
Expenditures on exploration and evaluation assets	(8,224,827)	(4,417,453)
Additions to property, plant and equipment	(1,194,637)	(218,659)
Additions to bonds	(78,311)	(43,968)
Redemption of bonds	14,360	-
Proceeds from disposition of Mawson Oy	6,500,000	-
Cash relinquished on disposition of Mawson Oy	(92,277)	-
Net cash used in investing activities	<u>(3,075,692)</u>	<u>(4,680,080)</u>
Financing activities		
Issuance of common shares	2,072,552	27,600
Payments on lease liabilities	(100,097)	(12,420)
Net proceeds from Southern Cross private placement	98,462	13,672,854
Net cash provided by financing activities	<u>2,070,917</u>	<u>13,688,034</u>
Effect of exchange rate changes on cash	<u>(40,113)</u>	<u>38,944</u>
Net change in cash	(3,435,060)	5,907,227
Cash at beginning of period	<u>14,680,432</u>	<u>12,141,196</u>
Cash at end of period	<u>11,245,372</u>	<u>18,048,423</u>

Supplemental cash flow information - Note 12

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

MAWSON GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2024
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Mawson Gold Limited (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 Toronto Venture Exchange (“TSXV”) under the same symbol “MAW”. The Company’s head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Canada.

The Company is a resource company engaged in the acquisition and exploration of unproven mineral interests. As at February 29, 2024 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 February 29, 2024 the Company had working capital in the amount of \$10,609,307, which included cash of \$11,245,372 and of which \$3,461,059 was attributed to its 51% owned subsidiary, Southern Cross Gold Ltd. (“Southern Cross”) and not available to fund the Company’s ongoing overhead expenses and planned exploration activities outside of Australia. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Management considers that the Company may need to raise additional capital from the sale of common shares or other equity or debt instruments to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months. The Company also recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

See also Note 14.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the year ended May 31, 2023.

Basis of Measurement

The Company’s condensed consolidated interim 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 condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

MAWSON GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2024
(Unaudited - Expressed in Canadian Dollars)

3. Subsidiaries

- (a) In addition to the Company, the condensed consolidated interim 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.

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.

As at February 29, 2024 the significant subsidiaries of the Company are:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Mawson AB	Sweden	100%
Euro Canna Holdings Ltd.	Canada	100%
Southern Cross Gold Ltd. and Australian subsidiaries (Note 9)	Australia	51%

- (b) 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 its wholly-owned subsidiary, Mawson Oy, to Mawson Finland Limited ("Mawson Finland") (formerly *Springtide Capital Acquisitions 7 Inc.*) for \$6,500,000 cash (the "Springtide Transaction").

On December 7, 2023 the Company shareholders voted in favour to proceed with the Springtide Transaction. On December 19, 2023 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.

4. Investments

	Number	As at February 29, 2024		Carrying Value
		Cost	Unrealized Loss	
		\$	\$	\$
Common shares				
Nagambie Resources Limited ("Nagambie")	53,361,046	1,768,741	(636,419)	1,132,322
Kingsmen Resources Limited ("Kingsmen")	18,750	45,000	(41,625)	3,375
		<u>1,813,741</u>	<u>(678,044)</u>	<u>1,135,697</u>

MAWSON GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2024
(Unaudited - Expressed in Canadian Dollars)

4. Investments (continued)

	As at May 31, 2023			
	Number	Cost \$	Unrealized Gain (Loss) \$	Carrying Value \$
Common shares				
Nagambie	53,361,046	1,768,741	121,092	1,889,833
Kingsmen	18,750	<u>45,000</u>	<u>(38,062)</u>	<u>6,938</u>
		<u>1,813,741</u>	<u>83,030</u>	<u>1,896,771</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 8,500,000 ordinary 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.

The Company also has purchased an additional 3,361,046 ordinary shares of Nagambie for a total of \$196,241.

- (b) The carrying values of the investments were determined using quoted market values. During the nine months ended February 29, 2024 the Company recorded an unrealized loss of \$761,074 (February 28, 2023 - gain of \$86,169) on its investments held.

5. Property, Plant and Equipment

Cost:	Land \$	Office and Field Equipment \$	Vehicles \$	Total \$
	Balance at May 31, 2022	1,787,564	159,171	361,983
Additions	2,704	112,485	164,425	279,614
Foreign exchange movement	<u>(53,558)</u>	<u>7,037</u>	<u>(5,599)</u>	<u>(52,120)</u>
Balance at May 31, 2023	1,736,710	278,693	520,809	2,536,212
Additions	1,191,736	2,901	-	1,194,637
Disposition of Mawson Oy	-	(121,085)	(299,393)	(420,478)
Foreign exchange movement	<u>(1,397)</u>	<u>(205)</u>	<u>(308)</u>	<u>(1,910)</u>
Balance at February 29, 2024	<u>2,927,049</u>	<u>160,304</u>	<u>221,108</u>	<u>3,308,461</u>
Accumulated Depreciation:				
Balance at May 31, 2022	-	(118,507)	(254,846)	(373,353)
Depreciation	-	(15,889)	(42,753)	(58,642)
Foreign exchange movement	<u>-</u>	<u>(14,974)</u>	<u>7,068</u>	<u>(7,906)</u>
Balance at May 31, 2023	-	(149,370)	(290,531)	(439,901)
Depreciation	-	(24,809)	(39,927)	(64,736)
Disposition of Mawson Oy	-	119,464	255,570	375,034
Foreign exchange movement	<u>-</u>	<u>22</u>	<u>30</u>	<u>52</u>
Balance at February 29, 2024	<u>-</u>	<u>(54,693)</u>	<u>(74,858)</u>	<u>(129,551)</u>
Carrying Value:				
Balance at May 31, 2023	<u>1,736,710</u>	<u>129,323</u>	<u>230,278</u>	<u>2,096,311</u>
Balance at February 29, 2024	<u>2,927,049</u>	<u>105,611</u>	<u>146,250</u>	<u>3,178,910</u>

MAWSON GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2024
(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

	As at February 29, 2024			
	Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	Total \$
Sweden				
Skelleftea North	70,357	267,998	-	338,355
Other	40,748	7,134	-	47,882
Australia				
Sunday Creek	790,587	14,514,129	(311,694)	14,993,022
Redcastle	288,147	1,617,888	(74,427)	1,831,608
	<u>1,189,839</u>	<u>16,407,149</u>	<u>(386,121)</u>	<u>17,210,867</u>
	As at May 31, 2023			
	Acquisition Costs \$	Deferred Exploration Costs \$	Foreign Exchange Movement \$	Total \$
Finland				
Rajapalot	3,935,930	40,888,935	-	44,824,865
Sweden				
Skelleftea North	70,357	258,979	-	329,336
Other	40,748	-	-	40,748
Australia				
Sunday Creek	780,616	8,222,758	(303,680)	8,699,694
Redcastle	39,601	1,586,580	(73,446)	1,552,735
Whroo JV	107,352	637,994	(31,728)	713,618
	<u>4,974,604</u>	<u>51,595,246</u>	<u>(408,854)</u>	<u>56,160,996</u>

MAWSON GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2024
(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

	Finland	Sweden		Australia				Total \$
	Rajapalot \$	Skelleftea North \$	Other \$	Sunday Creek \$	Redcastle \$	Whroo JV \$	Mount Isa SE \$	
Balance at May 31, 2022	<u>43,015,492</u>	<u>70,357</u>	<u>-</u>	<u>3,585,694</u>	<u>1,489,950</u>	<u>595,231</u>	<u>886,474</u>	<u>49,643,198</u>
Exploration costs								
Assays	84,894	26,877	-	-	-	-	-	111,771
Consulting	734,826	55,745	-	697,342	36,151	25,167	16,342	1,565,573
Drilling	89,944	145,815	-	3,257,194	-	-	-	3,492,953
Exploration site	2,266	-	-	230,858	18,984	46,702	377	299,187
Field equipment	3,159	-	-	122,401	3,266	1,845	-	130,671
Field workers	33,418	-	-	-	-	-	-	33,418
Fuel	9,534	-	-	15,527	2,390	1,207	-	28,658
Geochemical	100,998	-	-	370,379	4,559	-	-	475,936
Geological	33,892	11,852	-	49,619	-	10,077	-	105,440
Geophysics	47,157	18,690	-	29,052	-	-	-	94,899
Metallurgy	-	-	-	43,488	-	-	-	43,488
Salaries and benefits	502,064	-	-	458,667	29,533	43,193	-	1,033,457
Travel	7,528	-	-	24,703	3,539	3,529	865	40,164
Vehicle rental and other	10,174	-	-	20,712	2,745	832	-	34,463
Government assistance	(102,343)	-	-	-	-	-	-	(102,343)
	<u>1,557,511</u>	<u>258,979</u>	<u>-</u>	<u>5,319,942</u>	<u>101,167</u>	<u>132,552</u>	<u>17,584</u>	<u>7,387,735</u>
Acquisition costs								
Mining rights	251,862	-	40,748	16,555	1,330	4,086	32,615	347,196
Foreign exchange movement	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,497)</u>	<u>(39,712)</u>	<u>(18,251)</u>	<u>1,816</u>	<u>(278,644)</u>
Impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(938,489)</u>	<u>(938,489)</u>
Balance at May 31, 2023	<u>44,824,865</u>	<u>329,336</u>	<u>40,748</u>	<u>8,699,694</u>	<u>1,552,735</u>	<u>713,618</u>	<u>-</u>	<u>56,160,996</u>
Exploration costs								
Assays	102,133	-	-	-	-	-	-	102,133
Consulting	111,803	-	-	1,018,143	13,379	4,049	-	1,147,374
Drilling	-	-	-	3,724,162	-	-	-	3,724,162
Exploration site	15,535	-	-	212,683	6,422	19,301	-	253,941
Field equipment	8,113	-	-	238,987	1,217	-	-	248,317
Field workers	34,947	-	-	-	-	-	-	34,947
Fuel	6,168	-	-	16,070	675	83	-	22,996
Geochemical	8,917	-	-	645,784	-	-	-	654,701
Geological	16,892	9,019	7,134	103,233	-	5,300	-	141,578
Metallurgy	-	-	-	15,713	-	-	-	15,713
Salaries and benefits	256,902	-	-	294,034	8,757	9,428	-	569,121
Travel	529	-	-	12,637	309	1,708	-	15,183
Vehicle rental and other	-	-	-	9,925	549	787	-	11,261
	<u>561,939</u>	<u>9,019</u>	<u>7,134</u>	<u>6,291,371</u>	<u>31,308</u>	<u>40,656</u>	<u>-</u>	<u>6,941,427</u>
Acquisition costs								
Mining rights	124,907	-	-	9,971	248,546	179	-	383,603
Foreign exchange movement	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,014)</u>	<u>(981)</u>	<u>(1,067)</u>	<u>-</u>	<u>(10,062)</u>
Impairment provision	<u>(39,020,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(753,386)</u>	<u>-</u>	<u>(39,774,337)</u>
Disposition of Mawson Oy	<u>(6,490,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,490,760)</u>
Balance at February 29, 2024	<u>-</u>	<u>338,355</u>	<u>47,882</u>	<u>14,993,022</u>	<u>1,831,608</u>	<u>-</u>	<u>-</u>	<u>17,210,867</u>

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6. Exploration and Evaluation Assets (continued)

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

The Company previously held claims and exploration permits (the Rajapalot Gold Project”) which have been granted or are under application in northern Finland. On December 19, 2023 the Company completed the sale of Mawson Oy, as described in Notes 3(b). Accordingly, during the six months ended November 30, 2023, 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 sale of Mawson Oy.

(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 260,000 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.

Following the Company earning an 85% interest a joint venture will be formed and the parties will contribute ongoing funding of their respective interests. Shortfalls in contributions will be subject to dilution. Should either party be diluted to below a 10% interest, its interest will be converted to a 2% NSR. The non-diluting party will hold the right to acquire a 1% NSR for \$1,500,000 at any time that is 12 months after commercial production.

(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 1,000,000 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.

(ii) ***Redcastle, Australia***

On March 24, 2020 the Company entered into an option and joint venture agreement pursuant to which the Company has 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 by the fifth year.

The Company has incurred the requisite total exploration expenditures to earn the 70% interest in the Redcastle property and a joint venture between the parties will be formed. Nagambie may then contribute its 30% share of further exploration expenditures or, if it chooses to not contribute, dilute its interest. Should Nagambie’s interest be reduced to less than a 5% interest, it will be deemed to have forfeited its interest in the joint venture to the Company in exchange for a 1.5% net smelter return royalty (“NSR”) on gold revenue. Should Nagambie be granted the NSR the Company will have the right to acquire the NSR for AUD \$4,000,000.

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6. Exploration and Evaluation Assets (continued)

(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 by making cash payments totalling AUD \$250,000 (AUD \$100,000 paid) over four years ending December 31, 2024 and incurring the following exploration expenditures: AUD \$400,000 in the first year, ending on December 2, 2021, and an additional AUD \$500,000 in year two to earn an initial 25% interest, an additional AUD \$1,600,000 (cumulative AUD \$2,500,000) in years three and four to earn a 60% interest.

Upon the Company earning its 60% interest either party would provide notice to the other to form a joint venture (“JV”) under which the percentage ownership of each of Nagambie and the Company would be 40% and 60%, respectively. If Nagambie elects not to form a JV at 40%, the Company then has the option, but not the obligation, to invest a further AUD \$1,500,000 (cumulative AUD \$4,000,000) of exploration expenditures over two years, to earn a 70% interest in the Whroo JV.

In April 2024 Nagambie was notified that the Company would not proceed with the Whroo JV Agreement and has, accordingly, recorded an impairment provision of \$753,386 during the nine months ended February 29, 2024 for all capitalized exploration and evaluation costs incurred on the Whroo JV.

(iv) *Mount Isa SE, Australia*

The Company holds six exploration prospecting licenses (“EPMs”) (collectively “Mount Isa SE”) in the Mount Isa Mineral District, Queensland, Australia.

During fiscal 2023 the Company determined to impair all capitalized expenditures on the Mount Isa SE project and, accordingly, recorded an impairment of \$938,489 for all acquisition and exploration costs incurred.

(v) *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 February 29, 2024.

	AUD \$
Within one year	1,169,700
One to five years	<u>1,349,600</u>
Total	<u>2,519,300</u>

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7.	Right of Use Assets	\$
	Cost:	
	Balance at May 31, 2022	-
	Additions	897,692
	Foreign exchange movement	<u>(10,813)</u>
	Balance at May 31, 2023	886,879
	Additions	68,342
	Disposition of Mawson Oy	(657,666)
	Foreign exchange movement	<u>(261)</u>
	Balance at February 29, 2024	<u>297,294</u>
	Accumulated amortization:	
	Balance at May 31, 2022	-
	Amortization	(46,844)
	Foreign exchange movement	<u>340</u>
	Balance at May 31, 2023	(46,504)
	Amortization	(113,186)
	Disposition of Mawson Oy	82,209
	Foreign exchange movement	<u>(24)</u>
	Balance at February 29, 2024	<u>(77,505)</u>
	Carrying value:	
	Balance at May 31, 2023	<u>840,375</u>
	Balance at February 29, 2024	<u>219,789</u>
	<p>The Company has lease contracts for office and warehouse premises. It does not have any subleases. As at February 29, 2024 the lease liabilities have remaining lease terms of approximately four to six years or less and were determined using an effective interest rate of 5%. The undiscounted cash-flows over the remaining lease terms are approximately \$230,548.</p>	
		\$
	Balance, at May 31, 2022	-
	Additions	897,692
	Accretion of interest	20,032
	Payments	(55,350)
	Foreign exchange movement	<u>(12,740)</u>
	Balance, at May 31, 2023	849,634
	Additions	69,807
	Accretion of interest	39,620
	Payments	(100,097)
	Disposition of Mawson Oy	(595,285)
	Foreign exchange movement	<u>(44,094)</u>
	Balance, at February 29, 2024	<u>219,585</u>
	Current portion of lease liabilities	86,199
	Non-current portion of lease liabilities	<u>133,386</u>
	Total lease liabilities	<u>219,585</u>

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7. Right of Use Assets (continued)

As at February 29, 2024 the total of future minimum lease payments under the lease are as follows:

	\$
Less than one year	98,677
Greater than one year	<u>131,871</u>
	<u>230,548</u>

8. 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) *Equity Financings*

The Company did not conduct any equity financings during the nine months ended February 29, 2024 or fiscal 2023.

(c) *Warrants and Lead Manager / Broker Options*

(i) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at February 29, 2024 and February 28, 2023 and the changes for the nine months ended on those dates, is as follows:

	<u>2024</u>		<u>2023</u>	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	1,100,010	0.15	2,200,020	0.15
Exercised	<u>(1,100,010)</u>	0.15	<u>-</u>	-
Balance, end of period	<u>-</u>	-	<u>2,200,020</u>	0.15

(ii) During fiscal 2023 Southern Cross issued 3,000,000 options (the "Lead Manager Options") to its broker in connection with its private placement conducted in November 2022, as described in Note 9. Each Lead Manager Option entitles the holder to purchase an additional ordinary share of Southern Cross at a price of AUD \$0.87 per share until November 28, 2025. The fair value of the Broker Options has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 3.13%; expected volatility of 120%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the Lead Manager Options was \$1,258,076. The weighted average fair value of the Lead Manager Options issued was \$0.42 per Lead Manager Option. As at February 29, 2024 all 3,000,000 Lead Manager options remained unexercised. On March 20, 2024, 1,500,000 Lead Manager Options were exercised and Southern Cross received AUD \$1,305,000.

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8. Share Capital (continued)

During fiscal 2022 Southern Cross issued 6,500,000 options (the “Broker Options”) to its lead broker in connection with its IPO. Each Broker Option entitles the holder to purchase an additional ordinary share of Southern Cross at a price of AUD \$0.30 per share until May 5, 2025. The fair value of the Broker Options has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.66%; expected volatility of 80%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the Broker Options was \$472,377. The weighted average fair value of the Broker Options issued was \$0.075 per Broker Option. As at February 29, 2024 all 6,500,000 Broker Options remained unexercised.

(d) *Share Option Plan*

- (i) The Company has established a rolling share option plan (the “Plan”) in which the maximum number of common shares which can be reserved for issuance under the Plan which, when combined with the number of common shares issued under the Restricted Share Unit Plan adopted in Note 8(e), is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

No share options were granted during the nine months ended February 29, 2024 and no share compensation expense was recorded.

During the nine months ended February 28, 2023 the Company granted share options to purchase a total of 10,670,000 common shares and recorded compensation expense of \$1,358,900 on the granting of these share options. The fair value of Company share options granted and vested during the nine months ended February 28, 2023 was estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>2023</u>
Risk-free interest rate	3.47% ~ 3.58%
Estimated volatility	76% ~ 78%
Expected life	3 years
Expected dividend yield	0%
Estimated forfeiture rate	0%

The weighted average measurement date fair value of all share options granted during the nine months ended February 28, 2023 was \$0.13 per share option.

A summary of the Company’s share options at February 29, 2024 and February 28, 2023 and the changes for the nine months ended on those dates, is as follows:

	<u>2024</u>		<u>2023</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	16,500,000	0.26	13,297,520	0.27
Granted	-	-	10,670,000	0.23
Exercised	(7,987,500)	0.23	(120,000)	0.23
Expired	<u>(3,280,000)</u>	0.32	<u>(7,047,520)</u>	0.24
Balance, end of period	<u>5,232,500</u>	0.24	<u>16,800,000</u>	0.26

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8. Share Capital (continued)

The following table summarizes information about the Company share options outstanding and exercisable at February 29, 2024:

Number Outstanding and Exercisable	Exercise Price \$	Expiry Date
100,000	0.26	March 9, 2024
292,500	0.24	March 19, 2024
70,000	0.245	March 19, 2024
900,000	0.24	August 22, 2024
<u>3,870,000</u>	0.24	February 10, 2026
<u>5,232,500</u>		

See also Note 14(a).

- (ii) During the nine months ended February 29, 2024 Southern Cross granted share options to purchase a total of 7,050,000 (February 28, 2023 - nil) ordinary shares of Southern Cross and recorded compensation expense of \$1,986,582 (February 28, 2023 - \$nil).

During the nine months ended February 29, 2024 Southern Cross recorded additional compensation expense of \$349,724 (February 28, 2023 - \$312,937) on the vesting of share options previously granted.

A summary of Southern Cross share options at February 29, 2024 and February 28, 2023 and the changes for the nine months ended on that date, is as follows:

	2024		2023	
	Number of Options Outstanding	Weighted Average Exercise Price AUD \$	Number of Options Outstanding	Weighted Average Exercise Price AUD \$
Balance, beginning of period	8,349,999	0.30	8,970,000	0.30
Granted	7,050,000	1.05	-	-
Exercised	<u>-</u>	-	<u>(166,667)</u>	0.30
Balance, end of period	<u>15,399,999</u>	0.64	<u>8,803,333</u>	0.30

The following table summarizes information about Southern Cross share options outstanding and exercisable at February 29, 2024:

Number Outstanding	Number Exercisable	Exercise Price AUD \$	Expiry Date
2,783,333	2,783,333	0.30	May 5, 2025
2,783,333	2,783,333	0.30	May 5, 2026
2,000,000	2,000,000	0.66	August 15, 2026
1,500,000	1,500,000	1.20	October 23, 2026
3,550,000	3,550,000	1.20	November 7, 2026
<u>2,783,333</u>	<u>-</u>	0.30	May 5, 2027
<u>15,399,999</u>	<u>12,616,666</u>		

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8. Share Capital (continued)

(e) *Restricted Share Units (“RSU”) Plan*

On November 6, 2018 the Company adopted a restricted share unit plan (the “RSU Plan”). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company’s share option plan, will not exceed 10% of the Company’s outstanding common shares. As of February 29, 2024 the Company has been authorized to issued up to 2,000,000 RSUs.

No RSUs have been awarded during the nine months ended February 29, 2024 and February 28, 2023.

9. Non-controlling Interests

During fiscal 2022 the Company completed a strategic review of its exploration and evaluation assets and 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 Australian Stock Exchange.

On July 21, 2021 the Company incorporated Southern Cross 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”), Mawson Victoria Pty Ltd. (“Victoria”) and Clonbinane Goldfield Pty Ltd. (“Clonbinane”), to Southern Cross. On December 29, 2021 the Company transferred its holdings in Nagambie shares to Southern Cross.

On January 20, 2022 and February 4, 2022 Southern Cross completed private placements and issued a total of 17,031,250 ordinary shares to raise AUD \$2,725,000 and the Company’s interest in Southern Cross was diluted to 84.6% by the issuance of the additional equity by Southern Cross. On May 5, 2022 Southern Cross completed its IPO and issued 45,466,500 ordinary shares for gross proceeds of AUD \$9,093,300 diluting the Company’s interest in Southern Cross to 60%. In November 2022 Southern Cross completed a private placement and issued 27,396,548 ordinary shares for gross proceeds of AUD \$15,889,998 further diluting Mawson’s interest in Southern Cross to 50.99%. In July 2023 Southern Cross completed a private placement and issued 189,658 ordinary shares for gross proceeds of AUD \$110,002 further diluting the Company’s interest in Southern Cross to 50.94%. The reductions in the Company’s ownership interest did not result in a loss of control and has been recorded as equity transactions.

The following is a continuity of Southern Cross’ non-controlling interest:

	\$
Balance at May 31, 2022	7,329,366
Non-controlling interest adjustment for change in ownership interests	8,300,660
Share-based compensation adjustment	370,865
Currency translation adjustment	(448,358)
Share of loss for the period June 1, 2022 to May 31, 2023	<u>(1,682,146)</u>
Balance at May 31, 2023	13,870,387
Non-controlling interest adjustment for change in ownership interests	98,462
Share-based compensation adjustment	2,336,306
Currency translation adjustment	(20,541)
Share of loss for the period June 1, 2023 to February 29, 2024	<u>(2,696,715)</u>
Balance at February 29, 2024	<u>13,587,899</u>

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9. Non-controlling Interests (continued)

The following table summarizes the consolidated assets and liabilities of Southern Cross and the share of net liabilities which are attributable to the non-controlling interest as at February 29, 2024 and February 28, 2023.

	2024 \$	2023 \$
Assets		
Current	3,627,939	16,491,139
Non-current	<u>21,956,641</u>	<u>13,974,704</u>
	25,584,580	30,465,843
Liabilities		
Current	(845,656)	(372,355)
Non-current	<u>(133,386)</u>	<u>(170,246)</u>
Net assets	<u>24,605,538</u>	<u>29,923,242</u>
Non-controlling interest percentage	<u>49%</u>	<u>49%</u>

	2024 \$	2023 \$
Non-controlling interest in net assets	12,056,714	14,662,388
Adjustment for NCI contributed surplus	<u>1,531,185</u>	<u>1,705,071</u>
Non-controlling interest for the period	<u>13,587,899</u>	<u>16,367,459</u>

The following table presents the loss and comprehensive loss attributable to the non-controlling interest ("NCI") for the nine months ended February 29, 2024 and February 28, 2023.

	2024 \$	2023 \$
Loss for the period - NCI	(2,696,715)	(947,433)
Currency translation adjustment	<u>(20,541)</u>	<u>71,046</u>
Comprehensive loss for the period	<u>(2,717,256)</u>	<u>(876,387)</u>

10. 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 the nine months ended February 29, 2024 the Company incurred a total of \$231,422 (February 28, 2023 - \$496,902) to current and former key management personnel for salaries and fees which have been allocated based on the nature of the services provided: expensed \$162,919 (February 28, 2023 - \$405,921) to directors and officers compensation and capitalized \$68,503 (February 28, 2023 - \$90,981) to exploration and evaluation assets. As at February 29, 2024 \$44,500 (May 31, 2023 - \$53,466) remained unpaid and has been included in accounts payable and accrued liabilities.

In addition during the nine months ended February 28, 2023 the Company recorded share-based compensation of \$1,174,300 on the granting of share options and RSUs to its key management personnel.

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10. Related Party Disclosures (continued)

The Company has a management agreement with its Chairman which provides that in the event the Chairman's services are terminated without cause or upon a change of control of the Company, a termination payment of two years of compensation is payable. If the termination had occurred on February 29, 2024 the amount payable under the agreement would be \$120,000.

- (b) During the nine months ended February 29, 2024 the Company incurred a total of \$52,500 (February 28, 2023 - \$61,600) 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 \$3,015 (February 28, 2023 - \$3,015) for rent. As at February 29, 2024 \$4,170 (May 31, 2023 - \$4,820) remained unpaid and has been included in accounts payable and accrued liabilities.

In addition during the nine months ended February 28, 2023 the Company recorded share-based compensation of \$32,500 on the granting of share options to Chase.

- (c) During the nine months ended February 29, 2024 Southern Cross incurred a total of \$182,204 (February 28, 2023 - \$210,851) for fees to certain of its key management personnel who are also current and former directors or officers of the Company, of which \$45,573 (February 28, 2023 - \$210,851) have been expensed to director and officer compensation and \$136,631 (February 28, 2023 - \$nil) capitalized to exploration and evaluation assets. In addition the Company also recorded \$585,209 (February 28, 2023 - \$118,597) share-based compensation on the granting and vesting of Southern Cross share options to these key management personnel.

11. 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	February 29, 2024 \$	May 31, 2023 \$
Cash	FVTPL	11,245,372	14,680,432
Investments	FVTPL	1,135,697	1,896,771
Bonds	Amortized cost	94,304	236,719
Accounts payable and accrued liabilities	Amortized cost	(850,713)	(1,739,932)
Lease liabilities	Amortized cost	(219,585)	(849,634)

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.

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

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11. Financial Instruments and Risk Management (continued)

The recorded amounts for 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, investments and bonds approximate their fair value. The Company's fair value of cash, 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.

	Contractual Maturity Analysis at February 29, 2024				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	11,245,372	-	-	-	11,245,372
Investments	-	-	1,135,697	-	1,135,697
Bonds	-	-	94,304	-	94,304
Accounts payable and accrued liabilities	(850,713)	-	-	-	(850,713)
Lease liabilities	(21,550)	(64,649)	(133,386)	-	(219,585)

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 February 29, 2024, 1 Canadian Dollar was equal to 1.13 AUD Dollar, 7.62 SEK, and 0.74 US Dollar.

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11. Financial Instruments and Risk Management (continued)

Balances are as follows:

	AUD Dollars	Swedish Kronors	US Dollars	CDN \$ Equivalent
Cash	3,914,485	55,441	17,081	3,494,505
GST/VAT receivable	116,084	761	-	102,829
Bonds	80,172	64,612	11,010	94,304
Accounts payable and accrued liabilities	<u>(858,952)</u>	<u>(19,562)</u>	<u>-</u>	<u>(762,701)</u>
	<u>3,251,789</u>	<u>101,252</u>	<u>28,091</u>	<u>2,928,937</u>

Based on the net exposures as of February 29, 2024 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 \$290,000 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.

12. Supplemental Cash Flow Information

During the nine months ended February 29, 2024 and February 28, 2023 non-cash activities were conducted by the Company as follows:

	2024 \$	2023 \$
Operating activities		
Accounts payable and accrued liabilities	(899,797)	282,662
Lease liability	68,342	240,026
	<u>(831,455)</u>	<u>522,688</u>
Investing activities		
Exploration and evaluation assets	899,797	(282,662)
Addition to right of use asset	(68,342)	(240,026)
	<u>831,455</u>	<u>(522,688)</u>
Financing activities		
Issuance of common shares	1,132,576	12,000
Share-based payments reserve	<u>(1,132,576)</u>	<u>(12,000)</u>
	<u>-</u>	<u>-</u>

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13. 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 February 29, 2024				
	Canada \$	Australia \$	USA \$	Sweden \$	Total \$
Current assets	7,910,764	3,627,939	-	7,516	11,546,219
Investments	3,375	1,132,322	-	-	1,135,697
Property, plant and equipment	-	3,178,910	-	-	3,178,910
Exploration and evaluation assets	-	16,824,630	-	386,237	17,210,867
Right of use assets	-	219,789	-	-	219,789
Bonds	-	70,886	14,941	8,477	94,304
	<u>7,914,139</u>	<u>25,054,476</u>	<u>14,941</u>	<u>402,230</u>	<u>33,385,786</u>

	As at May 31, 2023					
	Canada \$	Finland \$	Australia \$	USA \$	Sweden \$	Total \$
Current assets	1,250,775	113,807	13,612,255	-	15,751	14,992,588
Investments	6,938	-	1,889,833	-	-	1,896,771
Property, plant and equipment	-	52,976	2,043,335	-	-	2,096,311
Exploration and evaluation assets	-	44,865,613	10,966,047	-	329,336	56,160,996
Right of use asset	-	630,263	210,112	-	-	840,375
Bonds	-	144,057	41,056	43,634	7,972	236,719
	<u>1,257,713</u>	<u>45,806,716</u>	<u>28,762,638</u>	<u>43,634</u>	<u>353,059</u>	<u>76,223,760</u>

14. Events after the Reporting Period

- (a) Subsequent to February 29, 2024 the Company:
- (i) issued a total of 1,297,000 common shares of the Company on the exercise of share options for \$311,280 cash proceeds; and
 - (ii) share options to purchase 392,500 common shares expired without exercise.
- (b) During April 2024, the Company funded its pro-rata share of a rights issue conducted by Southern Cross to maintain its ownership interest and will acquire 2,840,910 ordinary shares of Southern Cross at AUD \$1.82 per share for total consideration of AUD \$5,170,456 (CDN \$4,570,683) on closing of the rights issue.
- (c) See also Note 8(c)(ii).