

MAWSON GOLD LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED FEBRUARY 28, 2022

Background

This discussion and analysis of financial position and results of operations is prepared as at April 12, 2022, and should be read in conjunction with the unaudited consolidated financial statements and the accompanying notes for the nine months ended February 28, 2022 of Mawson Gold Limited (“Mawson” or the “Company”). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting 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 certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, capital and other costs varying significantly from estimates, changes in world metal markets, changes in equity markets, that the political environment in which the Company operates will continue to support the development and operation of mining projects, the threat associated with outbreaks of viruses and infectious diseases, including the novel COVID-19 virus, measures taken by governments, the Company or others to attempt to mitigate the effects of or reduce the spread of COVID-19, may affect the Company, whether directly or through effects on employee health, workforce productivity and availability (including the ability to transport personnel to where the Company has operations), travel restrictions, risks related to negative publicity with respect to the Company or the mining industry in general; planned drill programs and results varying from expectations, delays in obtaining results, equipment failure, unexpected geological conditions, local community relations, dealings with non-governmental organizations, delays in operations due to permit grants, environmental and safety risks, the Company’s ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties disclosed under the heading “Risk Factors” in the Company’s most recent Annual Information Form. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

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 recent management information circular, Annual Information Form, material change reports, press releases and other information, may be accessed via www.sedar.com or the Company’s website at www.mawsongold.com and readers are urged to review these materials, including the technical report filed with respect to the Company’s mineral properties.

Company Overview

The Company was incorporated on March 10, 2004 under the provisions of the Company Act (British Columbia). The Company’s common shares trade on the Toronto Stock Exchange (“TSX”) under the symbol “MAW”, on the Frankfurt Open Market under the trading symbol “MXR” and on the OTC Pink under the symbol “MWSNF.PK”.

Mawson is an exploration and development company. Its flagship Rajapalot gold-cobalt project in Finland has commenced technical and environmental de-risking work, whilst it continues in parallel to increase its already significant gold-cobalt resource through exploration. In Sweden, Mawson is earning into up to 85% of the Skelleftea North outcropping gold exploration project. Mawson also has a significant majority interest in the ownership or joint venture into three high-grade, historic epizonal goldfields covering 470 square kilometres in Victoria, Australia, as well as having interests in mineral properties in Queensland, Australia, which have been restructured and is in the process of conducting an initial public offering and listing on the Australian Securities Exchange (“ASX”).

Recent highlights include:

- **Advanced the restructuring of Mawson’s Australian assets into a new entity, Southern Cross Gold Ltd (“SXG”)** via an Initial Public Offering (“IPO”) for admission to the official list of ASX Limited (“ASX” or “Australian Securities Exchange”). AUD \$2,725,000 was raised privately in December 2021/January 2022, diluting Mawson’s ownership to 84.6%. SXG lodged its prospectus in March, with the initial public offering (the “IPO”) anticipated to be in early May. The Equity Offer under the Prospectus consists of between 40,000,000 and 50,000,000 SXG Shares at AUD \$0.20 per SXG Share to raise between AUD \$8,000,000 and AUD \$10,000,000 before costs. Mawson’s holding in SXG is anticipated to dilute to approximately 58.3% based on SXG’s then issued capital post IPO (AUD \$10,000,000 raise assumed). Under ASX listing rules, Mawson’s shareholding in SXG will be classified as ‘restricted shares’, and thus escrowed for 24 months following the completion of the IPO.
- **Continued exploration success in Australia, notably at 100% owned Sunday Creek** where step out drilling continues to intercept grade and width. Recent highlights from drilling include the three deepest holes;
 - MDDSC025: 11.7m at 16.0 g/t AuEq, including 3m at 53.4 g/t AuEq,
 - MDDSC022: 21.7m at 5.6 g/t AuEq, including 0.4m at 165.4 g/t AuEq.
 - MDDSC026: 5.6m at 10 g/t AuEq, including 1.2m at 29.4 g/t AuEqIn total there are 8 intersections that exceed 100 “grade x width” on the project. Mawson/SXG have reported twenty-six drill holes (MDDSC001-026) for 6,447.8 metres at the Sunday Creek gold-antimony project since mid-2021. Drilling continues during the proposed Southern Cross IPO but further assays of drill cores are not expected to be completed before the company is admitted to the official list of the ASX.
- **Commenced a PEA on the 1.04 million ounces AuEq at 3.0g/t AuEq** inferred gold-cobalt resource at Mawson’s 100% owned Rajapalot in Finland. The PEA aims to highlight the positive economic benefits of the deposit’s favourable orebody geometry, high gravity+cyanide gold recoveries and excellent location. Metallurgical test work and mining studies have already commenced with the PEA expected to be completed in the third calendar quarter of 2022.
- **Advanced exploration at Rajapalot, with over 5,000m of drilling already completed.** Drilling aims to test semi-regional to prospect scale exploration targets to expand understanding around the million-ounce inferred resource.
- **Permitting developments progress at Rajapalot** with the Lapland Regional Council (“Lapin Liitto”) and the local Municipalities all commencing their land rezoning processes, and approving Mawson’s Participation and Evaluation plans to support that process. The Lapin Liitto also publicly stated support for development of mineral deposits in Natura 2000 areas.
- **Acquired an option for up to 85% of the 2,500 ha Skelleftea North gold project** in Northern Sweden. The project hosts multiple gold outcrops across the 3 km x 6 km permit area, and includes a channel sample conducted by Mawson across the 180m Dalbacka outcrop grading 4.5 g/t over 3.8m. The project has never been drilled despite sitting within the Skellefte belt, which is a modern goldfield with over 6 million ounces of gold produced.
- **Appointment of a new Chief Executive Officer** Mr Ivan Fairhall; an engineer and mine finance professional. His appointment reflects the maturity of Rajapalot and the strategy to move the project forward, concurrent with continuing to grow the resource. Mr Michael Hudson has moved to Executive Chairman and works closely with Mr Fairhall on the Company’s exploration and corporate strategies.

Property Assets and Exploration Activities

Finland

Mawson’s flagship is the 100%-owned Rajapalot gold-cobalt project, located 50 minutes by car from Rovaniemi, the capital of Finnish Lapland. At Rajapalot, the Company has made a significant greenfield discovery and, on August 26, 2021 published an updated Inferred Mineral Resource completed by Eemeli Rantala, AFRY - P.Geo, Ville-Matti

Seppä, AFRY - EurGeol of Finland and Craig Brown, Mining Associates Pty Ltd - FAusIMM of Australia. All authors are independent “qualified persons” as defined by NI 43-101. The NI 43-101 technical report is entitled “Mineral Resource Estimate NI 43-101 Technical Report - Rajapalot Property” (the “Updated Technical Report”).

The August 2021 base case open pit and underground constrained an Inferred Mineral Resource totalling 1,041,980 oz gold equivalent (“AuEq”) at 3.0 g/t AuEq. This consisted of 10,907,000 tonnes @ 2.5 g/t gold (“Au”) for 887,000 ounces (“oz”) Au, and 443 ppm cobalt (“Co”) for 4.9 kt cobalt. Mineral Resources are stated at a 0.3 g/t AuEq open pit cut-off and 1.1 g/t AuEq underground cut-off from five block models comprising 8 prospects.

The 2021 resource increases gold grade by 19% (AuEq grade by 12%) and contained gold ounces by 47% (contained gold equivalent ounces by 35%) as compared to the previous Rajapalot resource estimation published on [September 14, 2020](#). A 100% underground case was as part of the reasonable prospects for eventual economic extraction (RPEEE) assessment. Under this scenario, grade increases to 3.2 g/t AuEq for a contained total of 1,004,732 oz AuEq.

The Rajapalot mineral resource update covers eight prospect areas (The Hut, Terry's Hammer, Rumajärvi, Palokas, South Palokas, Raja, Uusisaari and Joki East), and increase of the 4 used to define the 2020 resource. The 2020/21 drill program delivered more economic grade/width intersections than ever before and led to the discovery of two new gold-cobalt zones, delineated significant extensions to four more prospects with defined resources and added two further prospects suitable for wireframing and resource estimation (Figure 1). EM plates continue to be an excellent vector for mineralisation (Joki East discovered under 150m of cover), as shown in Figure 2, and all of the deposits are open in at least one direction as shown in Figure 1.

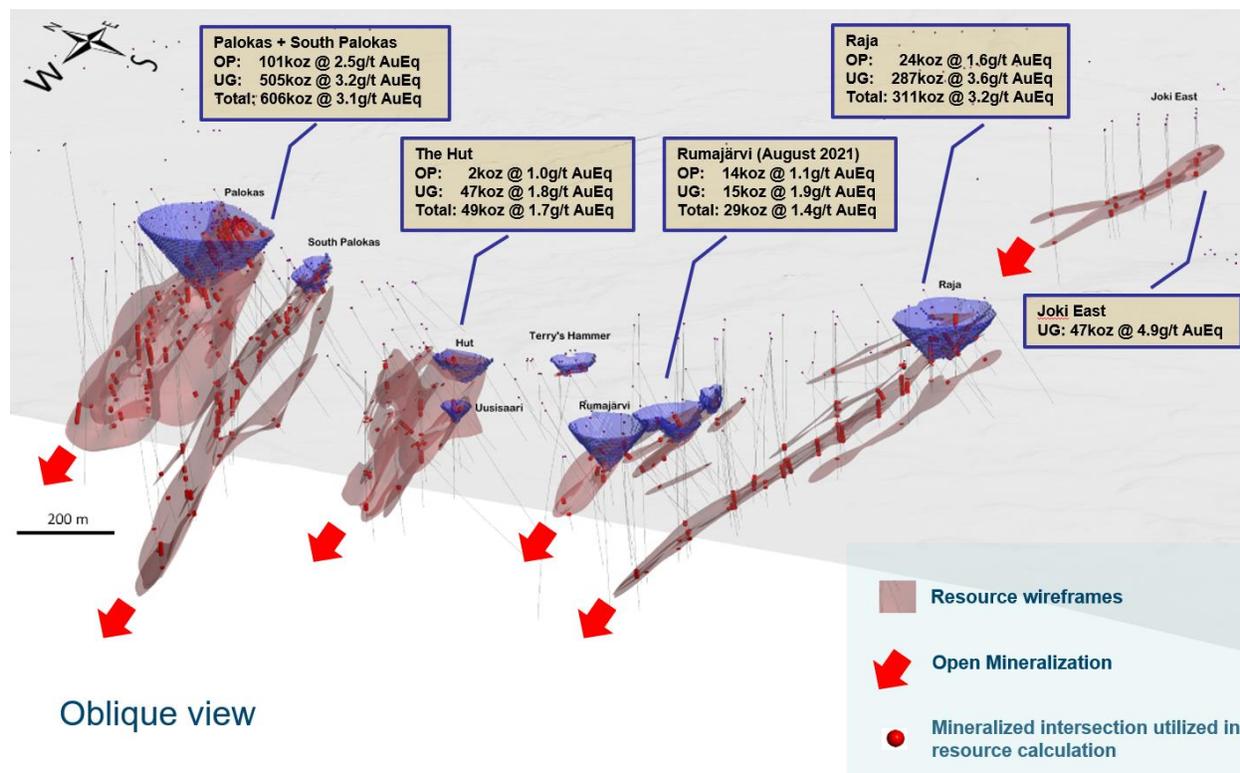


Figure 1: The [August 2021](#) open pit and underground constrained Rajapalot inferred mineral resource

Rajapalot forms a smaller part of Mawson’s larger 100 square kilometre Rompas-Rajapalot Finnish project area owned 100% by Mawson. Exploration prospectivity remains high across the length and width of the 185km2 property, as evidenced with ongoing targeting work that have highlighted highly anomalous gold grades in boulders (546 g/t, 290 g/t and 129 g/t Au, with 30 boulders and outcrops averaging 35.1 g/t Au, samples >0.1 g/t Au, median of 1.5 g/t Au), base of till, and geophysical anomalies deemed prospective based on similarities with the inferred resource.

In January 2022 Mawson commenced a planned drill program at Rajapalot. The drill program aims to test semi-regional to prospect scale exploration targets to expand understanding around the million-ounce inferred resource and

help identify future resource bodies. The drill program is ongoing through to May/June 2022 with 5160 metres completed in 25 holes. Assays are being progressively received. As at the date of writing, results from the first 20 holes have been received with no material assays returned to date.

From November 10, 2020, to August 23, 2021, the Company announced a series of drill results from the 76 hole, 19,422 metre 2020/2021 drill program at Rajapalot which targeted expansion of the known Rajapalot resource bodies. Key results from the 2020-2021 drill programs at Rajapalot are outlined in Figure 2 below.

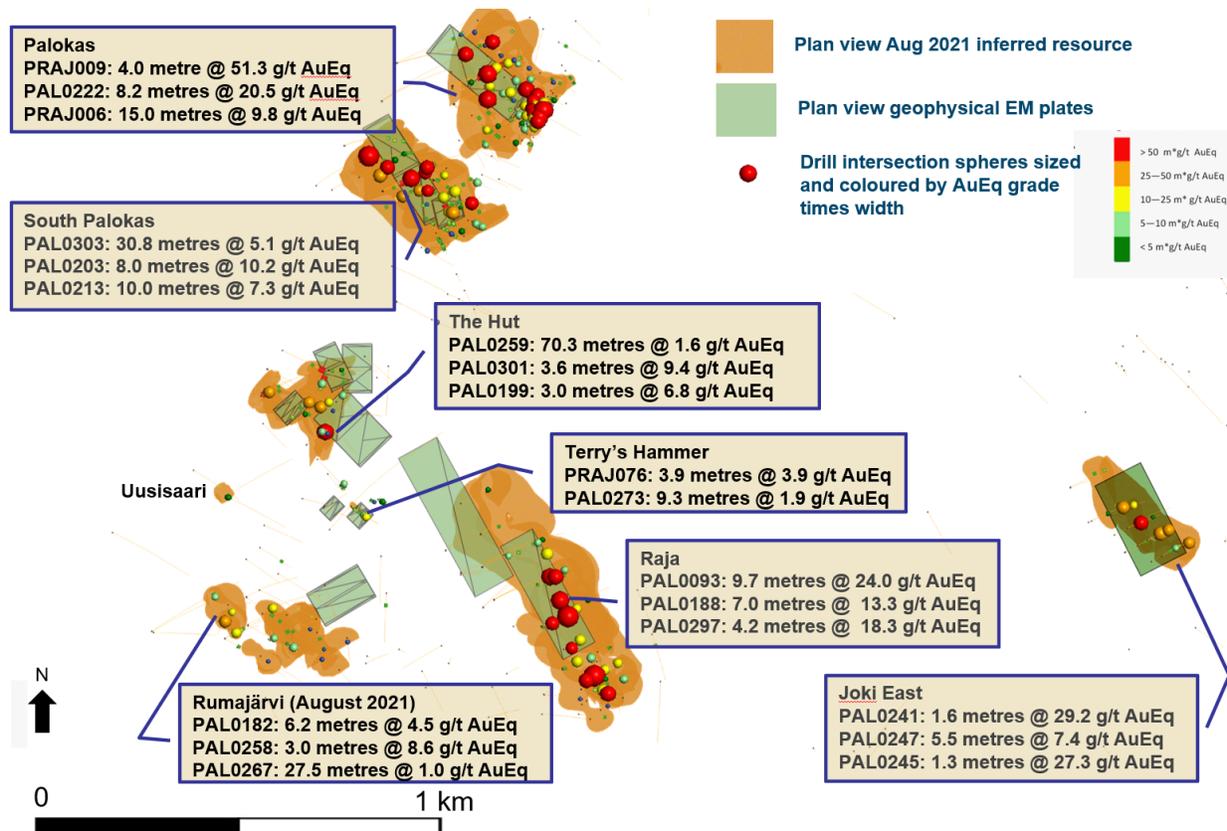


Figure 2: Key results from the drill programs at Rajapalot. The initial outcrop and drill discovery was made at Palokas.

Table 1: Total Inferred Mineral Resources estimate as of August 26, 2021, at the listed cut-offs for constrained open pit and underground resources at Rajapalot.

Zone	Cut-off (AuEq)	Tonnes (kt)	Au (g/t)	Co (ppm)	AuEq (g/t)	Au (oz)	Co (tonnes)	AuEq (oz)
Palokas Pit	0.3	1,228	2.2	382	2.5	85,513	469	100,511
Palokas UG	1.1	4,878	2.7	501	3.2	427,797	2,443	505,941
Palokas total		6,106	2.6	477	3.1	513,310	2,911	606,451
Raja Pit	0.3	485	1.3	289	1.6	19,722	140	24,206
Raja UG	1.1	2,492	3.2	401	3.6	254,600	999	286,574
Raja total		2,977	2.9	383	3.2	274,322	1,140	310,780
East Joki (no pit)		-	-	-	-	-	-	-
East Joki UG	1.1	299	4.5	363	4.9	43,378	109	46,859
East Joki total		299	4.5	363	4.9	43,378	109	46,859
Hut Pit	0.3	61	0.1	874	1.0	214	54	1,928

Zone	Cut-off (AuEq)	Tonnes (kt)	Au (g/t)	Co (ppm)	AuEq (g/t)	Au (oz)	Co (tonnes)	AuEq (oz)
Hut UG	1.1	816	1.4	411	1.8	35,943	336	46,682
Hut total		877	1.3	444	1.7	36,157	389	48,610
Rumajärvi Pit	0.3	401	0.6	496	1.1	8,107	199	14,467
Rumajärvi UG	1.1	246	1.5	356	1.9	12,009	88	14,813
Rumajärvi total		647	1.0	443	1.4	20,116	286	29,279
Total Pit	0.3	2,175	1.6	396	2.0	113,556	861	141,112
Total UG	1.1	8,732	2.7	455	3.2	773,728	3,974	900,868
Total Pit + UG		10,907	2.5	443	3.0	887,284	4,836	1,041,980

CIM Definition Standards (2014) were used for Mineral Resource classifications. AuEq=Au+Co/1,005 based on assumed prices of Co US \$23.07/lb and Au US \$1,590/oz. Rounding of grades and tonnes may introduce apparent errors in averages and contained metals. Drilling results to June 20 2021. These are Mineral Resources that are not Mineral Reserves and do not have demonstrated economic viability.

Resource Methodology

1. Mineral Resource estimation reporting follows the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) definitions standards (2014) for mineral resources and reserves and have been completed in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument 43-101.
2. Reported tonnage and grade figures have been rounded from raw estimates to reflect the relative accuracy of the estimate. Minor variations may occur during the addition of rounded number.
3. Constrained Resources are presented undiluted and in-situ and are considered to have reasonable prospects for eventual economic extraction. The Qualified Person considers that the reported Mineral Resource has reasonable prospects for eventual economic extraction by the open pit and underground mining method at the specified cut-off grades. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
4. Optimized open pit constrained resources are reported at a cut-off grade of 0.3 g/t AuEq. Underground resources are reported at a cut-off grade of 1.1 g/t AuEq. The cut-off grades used for reporting are inclusive of mining, processing and general and administration (“G&A”) costs. Net Smelter Return (“NSR”) includes metallurgical recoveries and selling costs inclusive government royalties. Gold equivalent “AuEq” = Au+(Co/1005) based on assumed prices of cobalt US \$23.07/lb and gold US \$1,590/oz.

The optimization process was conducted considering three scenarios to aid consideration of reasonable prospects for eventual economic extraction (RPEEE):

- The first using Whittle optimization for a pit of Revenue Factor 1 (Rev-F-1);
- The second optimization utilised the changeover from open cut (OC) to underground (UG) based on the estimated differential operating expenses of OC and UG (model termed OC-UG or “**base case**”);
- The third an underground scenario constrained to a depth of 20 metres below the base of solid rock (UG only).

Table 2: Grade/tonnage relationships for alternate constraining models for Rajapalot

Model	Tonnes (kt)	Au (g/t)	Co (ppm)	AuEq (g/t)	AuEq (oz)
RF= 1 Whittle	13,395	2.1	423	2.5	1,094,125
Base Case	10,907	2.5	443	3.0	1,041,980
All UG	9,780	2.8	441	3.2	1,004,732

5. A gold top cut of 50 g/t Au was used for the gold domains. A cobalt top cut was not applied.

6. Bulk density values were calculated for each block within the wireframes based on 3,345 density measurements (linear relationship of iron oxide to density was used to make an Ordinary Kriged estimate of density for each wireframe).
7. Forty-eight three-dimensional wireframe models were generated using gold and cobalt shells separately in Leapfrog Geo. Grade distributions were independently estimated using Ordinary Kriging in Leapfrog Edge.
8. Sub-block triggers in each case were created using the gold and cobalt wireframes, the base of till and lidar surface wireframes were also used to control the density model for “air” and till blocks (till density is set to 2 t/m³). Parent blocks were used in all cases for grade estimation. The parent block size used was 12 m x 12 m x 4 m (>20% of the drill hole spacing). Sub-blocking down to 4 m x 4 m x 0.5 m was optimal for geologic control on volumes, thinner and moderately dipping wireframes.

5 m x 5 m x 2.5 m blocks were used for the creation of the SMU model for pit optimization. There was less than 0.5% difference in the total Mineral Resource estimate created during the change to regularized blocks.

9. AFRY created the Rajapalot Mineral Resource estimate using the drill results available to June 20, 2021.

A National Instrument 43-101 Technical Report has been concurrently filed on SEDAR.

Geology

The host sequence comprises a polydeformed, isoclinally folded package of amphibolite facies metamorphosed Paleoproterozoic supracrustal rocks of the Peräpohja belt. The Paleoproterozoic of northern Finland are highly prospective for gold and cobalt, and include the Europe’s largest gold mine, Kittilä, operated by Agnico Eagle Finland Oy.

Stratabound gold-cobalt mineralization occurs near the boundary of the Kivalo and Paakkola groups with two contrasting host rocks, either iron-magnesium or potassic-iron types. Multi-stage development of the mineralization is evident, with early-formed cobalt and a post-tectonic hydrothermal gold event.

Prospects with high-grade gold and cobalt at Rajapalot occur across 3 km (east-west) by 2 km (north-south) area within the larger Rajapalot project exploration area measuring 4 km by 4 km with multiple mineralized boulders, base-of-till (BOT) and rare outcrops. High-grade Au-Co mineralization at Rajapalot has been drilled to 540 metres deep at Raja and South Palokas prospects but is not closed out at depth in any prospect. The only surface exposure of mineralization is at Palokas, however except for East Joki, all mineralization sub-crops under till, less than 6 metres below the surface. East Joki is defined 110 metres from the surface at its shallowest but is not drilled yet in the up-dip direction.

Mawson’s primary target type across the whole Rajapalot-Rompas area is the disseminated Au-Co style, with Mawson’s geological team in Finland devoted to uncovering more prospects based on their increased understanding of the host sequence.

Two distinct styles of gold mineralization dominate the Rajapalot area. The first, is a variably sulphidic magnesian-iron host, previously referred to internally as “Palokas” style. The magnesian-iron host is most likely an ultramafic volcanic (komatiitic) and occurs within approximately 100 vertical metres of the inferred Kivalo-Paakkola boundary (that is, near the incoming of pelites, calc-pelites and quartz muscovite rocks). A largely retrograde mineral alteration assemblage includes chlorite, Fe-Mg amphiboles (anthophyllite and cummingtonite series), tourmaline and pyrrhotite commonly associated with quartz-veining. Subordinate almandine garnet, magnetite and pyrite occur with bismuth tellurides, scheelite, ilmenite and gold, cobalt pentlandite and cobaltite. Metallurgical testing at Palokas reveals the gold to be non-refractory and 95% pure (with minor Ag and Cu) with excellent recoveries by gravitational circuit with conventional cyanidation and/or flotation. QEMSCAN studies also show that the gold occurs as native grains, found both on grain boundaries and within minerals. Detailed work by Jukka Pekka Ranta of the University of Oulu (plus co-workers) on fluid inclusions and the host rocks to the Fe-Mg mineralization at Palokas indicates weakly saline, methane-bearing fluids at depths as shallow as 5 km and temperatures of approximately 250 degrees were responsible for deposition of the gold.

The second style of gold-cobalt mineralization at Rajapalot, a potassic-iron (K-Fe) style (formerly referred to internally as “Rumajärvi” type) is characteristically associated with muscovite and / or biotite and chlorite in a diverse

range of fabrics. Gold grades of more than 1 g/t Au are associated with pyrrhotite and contained within muscovite-biotite schists, muscovite and biotite-bearing albitic granofels and brecciated, variably micaceous albitic rocks. Magnetite is a common mineral, but not a necessity for anomalous gold grades. The host rocks are grey to white owing to their reduced nature and may be enclosed by light pink to red calcsilicate-bearing albitites. To date, the K-Fe gold-cobalt mineralization style has been intersected near the muscovite-bearing quartzite at Raja and Rumajärvi, but as other rock types are also mineralized and the clear strong structural control on grade, stratigraphic constraints may locally not be relevant.

Exploration for Palokas and Rumajärvi style gold prospects is not restricted to the Rajapalot area. Recognition of the host stratigraphic package (near the boundary of the Kivalo-Paakkola Group boundary) enclosing the 6 km long vein-hosted Rompas Au-U system increases the search space for the pyrrhotite-Au-Co systems to cover Mawson's full permit area. The geochemical characteristics of the ultramafic volcanics and related intrusives are not only present in the southern drill section at South Rompas but have more than 50 km of strike length in Rompas-Rajapalot. It is the interaction of this reactive rock package with late gold-bearing hydrothermal systems driven by ca. 1.8 Ga granitoids, that now form the most highly prospective targets away from the Rajapalot area. The cobalt component of the system is largely stratabound and formed much earlier, most likely from oxidized saline basinal fluids interacting with reduced strata.

Metallurgy

During the quarter, a further metallurgical test work program was Further test work will focus on the configuration of these processing methods to understand ideal gold and cobalt recovery conditions. Mawson has awarded two packages of metallurgical test work to finalize selection of the PEA flowsheet. Wardell Armstrong International ("WAI") in the UK will further develop grinding, gravity and cyanide processes. Continued flotation test work will be carried out at the Circular Economy Solutions unit of the Geological Survey of Finland ("GTK Mintec").

This metallurgical test work program builds on the positive fundamental work completed in the BATCircle1.0 test work program, highlights of which included:

- Conventional gold cyanidation recoveries between 97.3% to 98.0%, with no signs of preg-robbing;
- Gravity concentration recoveries averaging 44% for gold and 20% for cobalt;
- Gold flotation recovery of 90% at a grade of 100 g/t;
- Flotation recoveries of 78%-93% for cobaltite (the predominant cobalt-bearing mineral), and lesser prevalent cobalt-bearing mineral linnaeite with a recovery of up to 71% through low amperage magnetic separation;
- Samples were spatially distributed across the main resource areas.

BATCircle is a Business Finland funded program designed to create a competitive and sustainable European battery industry through collaboration and joint research between companies and research organizations. Mawson's wholly owned Finnish subsidiary Mawson Oy was granted €500k (~C\$750k) in co-funding as part of BATCircle1.0, with that program completed in April 2021. In May 2021 Mawson Oy was granted a further €795k (~C\$1.1m) in funding under the BATCircle2.0 program to further study cobalt extraction, marketing and residues management.

Strategic Cobalt

Rajapalot is a significant and strategic gold-cobalt resource and one of Finland's largest gold resources by grade and contained ounces and one of a small group of cobalt resources prepared in accordance with NI 43-101 policy within Europe. Rajapalot is already the 7th largest European cobalt resource by size and expanding (cobalt is a potential by-product with 15% in situ value compared to the gold content in the 2021 resource). Finland refines half the world's cobalt outside China at the world's largest cobalt refinery, which is located 400 kilometres south of Rajapalot. CRU estimates annual refining of 22,734 tonnes of cobalt (approximately 18% of world refined cobalt production), 90% of which was sourced from Chinese-owned mines in the Democratic Republic of Congo. Finland mines only 650 tonnes or 0.5% of the world's cobalt per year. The Rajapalot resource has the potential to support Finland's desire to source ethical and sustainable cobalt.

Mawson is a member of the European Raw Material Alliance ("ERMA"). The ERMA aims to make Europe economically more resilient by diversifying its supply chains, creating jobs, attracting investments to the raw materials value chain, fostering innovation, training young talent and contributing to the best enabling framework for raw materials and the Circular Economy worldwide.

Environmental, Social, Governance

Mawson acknowledges that Environmental, Social and Governance (“ESG”) forms a comprehensive framework for our Company to successfully navigate and balance the benefits of our projects to the planet, people and profit. Mawson has had an active ESG program operating for many years, and we are constantly developing and adding to it as our projects grow and develop. Commitments include:

- Compliance with The Finnish Network for Sustainable Mining “Standard for Sustainable Exploration”, with assessment implemented annually and is externally verified every third year.
- Membership of FIBS, the largest corporate responsibility network in Finland and the Nordic countries which aims to develop productive solutions to local and global problems in cooperation with other companies and organisation.
- Active member of Minerals Council of Australia (“MCA”) and abides by its policies, including its Water Policy and Towards Sustainable Mining® (TSM), an award-winning accountability framework which helps minerals companies evaluate, manage and communicate their sustainability performance.

Mawson’s ESG credentials have been independently audited under the “Digbee ESG” framework. The ‘report card’ scores Mawson on all facets of its business conduct across the full spectrum of ESG considerations, as well as provides guidance of how Mawson will continue to improve its performance moving forward. Highlights of the report included:

- Overarching Mawson Gold score of “BB”, noting the Company has “strong ESG leadership and demonstrates a clear desire to operate in a sustainable manner both now and in the long term”.
- The Company’s 100%-owned Rajapalot with the most positive score of “BBB”, referencing the contribution of Mawson’s “well respected Environmental Director Ms. Noora Ahola who is not only helping to improve the project from an already good base, but also taking part in industry and national level forums”.
- The Company’s 100%-owned Sunday Creek and Redcastle + Whroo both scoring “BB”.
- Every aspect of the business has the potential to reach “AAA” through risk mitigation, as demonstrated in the confidence bands applied by the assessors.

Further information is available on Mawson’s website at www.mawsongold.com.

During late 2020, Mawson Oy, Mawson’s 100%-owned subsidiary in Finland, requested the Lapland Centre for Economic Development, Transport and the Environment (“ELY”) to arrange a preliminary consultation in accordance with section 8 of the Environmental Impact Assessment (“EIA”) Procedure Act. The EIA procedure identifies, assesses, and describes the significant environmental effects of a project and subsequently allows Mawson to consult with the authorities and those whose conditions or interests may be affected by the project. The EIA procedure is not a permit procedure but provides information on the environmental effects of a project that will subsequently be taken into account by official authorities during mine permitting. Mawson has been conducting extensive nature, environmental and water body surveys and assessments in the area for over 10 years. Additional studies will continue during the official processes, and the EIA program stage is expected to be completed in 2023. The EIA reporting stage where the impacts of the project will be widely assessed will follow the program stage and takes usually about two to three years.

In combination with the EIA, the two municipal areas where the Rajapalot gold-cobalt project is located, the City of Rovaniemi and Municipality of Ylitornio, at the request of Mawson, have formally initiated the sub-area Local Master land use planning processes in February 2022. Land use planning in Finland is defined by the Land Use and Building Act. The regional land use plans set out the principles of land use and the community structure. The phased provincial land use plan is a long-term plan and a guideline for the municipalities when drawing up and amending local master plans and local detailed plans. Both municipalities proposed to the Regional Council of Lapland (“Lapin Liitto”) to start the phased provincial land use plan for the Rajapalot gold-cobalt project. Lapin Liitto accepted the proposal and initiated regional land use planning process in December 2021. Mawson appreciates the overwhelmingly strong support it receives from local stakeholders. The Rajapalot project could create many opportunities for both the current population and those in the future who settle within the area.

On December 10, 2021 the Lapin Liitto Board of Council approved also Rajapalot’s Participation and Engagement Plan. This formalizes the extent and nature of public participation and describes how the impacts of land use plans will be evaluated.

The start of these formal statutory processes will facilitate the planning of the mining project and further strengthen cooperation and relationships between the various stakeholder groups, authorities and the company. Land use planning processes helps reduce any licensing uncertainties. A similar process in Finland has been undertaken for other pre-development stage mining projects including the Suhanko (“Arctic Platinum”) project of CD Capital Natural Resources Fund III L.P., the Sokli project of The Finnish Minerals Group, and the Sakatti project of Anglo American.

Mawson carries out its exploration activities across more than 18,000 Ha of exploration tenements in Finland. Sixteen percent of its permit or permit application areas are within EU-defined ‘Natura 2000’ biodiversity conservation areas (Kairamaat 2/3 exploration permit, Uusi Rumavuoma and Rompas permit application areas). Natura 2000 is not a system of strict nature reserves where all human activities are excluded and forms 18% of the EU landmass. The aim of the Natura 2000 network is to assure the long-term survival of Europe’s most valuable and threatened species and habitats. Development in Natura is defined by clear rules and the emphasis is on ensuring that future management is sustainable, ecologically, socially, and economically. Mawson is permitted to complete all exploration at Rajapalot inside and outside Natura zones.

On November 12, 2021 the Regional Council of Lapland (“Lapin Liitto”) approved the Lapland Agreement, which sets out the regional development program for 2022–2025. A vote was taken on several points to clarify the Council’s views on important clauses. One such clause (translated from Finnish) was: “In the coming decades, it is possible that significant ore deposits will be found in Natura 2000 sites or these sites need to be exploited for some other reasons. According to the agreement Natura 2000 areas can be utilized in the future through ecological compensation and offset measures”. The Council voted overwhelmingly (42 For versus 6 Against) in favor of this statement (link).

The Lapland Agreement is a strategic development document that presents an overall picture of development and financial orientation in the region, as well as long-term vision for the future. Lapin Liitto, the Regional Council of Lapland, is the highest decision-making body in Lapland responsible for the planning and development of the region in compliance with the Regional Development Act and the Land Use and Building Act. The 60-member Assembly of the Council comprises municipal councillors representing each of the 21 municipalities in Lapland and with representatives across the political spectrum of Finland.

Many mining projects have been permitted and are in production in Natura 2000 areas within Europe, including Ada Tepe (gold mine, Bulgaria), Prosper Haniel (coal mine, Germany) and Mechelse Heide Zuid (sand mine, Belgium). Anglo American is currently permitting the Sakatti Ni-Cu-PGE project for mining in Finland.

Given Rajapalot’s partial location in and adjacent to Natura 2000 areas, Mawson especially focuses on minimizing the negative impacts of our activities and drive positive outcomes in terms of land management and biodiversity. These fundamental planning and regulatory decisions demonstrate Mawson is working constructively with the regional and national authorities as well as the local stakeholder groups to develop Rajapalot in a responsible and sustainable way.

Cobalt has been identified by the EU as a “critical raw material”, and Rajapalot is already Europe’s 7th largest cobalt resource. Finland refines >50% of the global ex-China cobalt supply but mines <1%, and this imbalance provides Rajapalot and Finland a strategic competitive advantage to capitalize on the global energy transition.

Permits

Permit Type	Name	Mining Registry Number	Area (hectares)
Exploration Permit	Raja	ML2014:0061-01	883
Exploration Permit	Männistö	ML2016:0046-01	2,141
Exploration Permit	Korkiakoivikko	ML2012:0168-01	232
Exploration Permit	Kairamaat 2/3 #	ML2013:0041-02	1,462
Exploration Permit	Hirvimaa	ML2014:0033	1,007
Sub-Total			5,725
Exploration Permit Application	Rompas	ML2014:0060-01	265
Exploration Permit Application	Kultamaat	ML2015:0005-01	1,718
Exploration Permit Application	Karsimaat	MI2014:0075-01	1,618
Exploration Permit Application	Uusi Rumavuoma	ML2015:0042-01	1,283
Exploration Permit Application	Kaitajärvi E-M-W	MI2014:0100-01	809

Permit Type	Name	Mining Registry Number	Area (hectares)
Exploration Permit Application	Mäntylaenokka N -S	ML2015:0054-01	398
Exploration Permit Application	Kuusivaara	ML2014:0077-01	4,565
Exploration Permit Application	Petäjävaara	ML2014:0074	1,645
Exploration Permit Application	Takanenvuoma		660
Total			18,686

Note: # under enforcement

The Rompas-Rajapalot property consists of 5 granted exploration permits for 5,725 hectares and 9 exploration permit applications for a combined total of 18,686 hectares. Exploration permits are granted for up to 15 years with standard two or three yearly renewals. The Rajapalot resource reported here occurs within two granted tenements (Kairamaat 2/3 and Hirvima). The 1,462 hectare Kairamaat 2/3 exploration permit is granted, but not in legal force and Mawson is permitted to explore according to an enforcement order given by TUKES (the Finnish Mining Authority).

There are no underlying royalties (except a statutory Finnish mining royalty of 0.15 % of the value of the exploited mineral/metal payable to the landowner), back-in rights or other underlying agreements or encumbrances over the property.

Sweden

In January 2022 Mawson entered into an option and joint venture agreement (the “Skelleftea Option Agreement”) to earn-in up to 85% of the 2,500 ha Skelleftea North Gold Project (“Skelleftea Project”) from Elemental Exploration Scandinavia AB (“Elemental”), a private company at arm’s length to Mawson. The Skelleftea is located in Northern Sweden four hours drive from Mawson’s flagship Rajapalot project, making it complementary to Mawson’s Nordic focus and experience base.

The Skelleftea Project consists of 2,500 ha of contiguous 100%-owned claims located in the well-endowed Skellefte Mining District of Northern Sweden, located 40 km north-northwest of the city of Skelleftea. The Skellefte Belt comprises a poly-deformed, Paleoproterozoic-aged volcano-sedimentary rocks containing several large gold deposits that have produced over 6 Moz of gold (most notably from the Boliden, Bjorkdal and Kankberg gold mines). Swedish mining giant Boliden has dominated production in the district for nearly a century and has established processing facilities at the site of the historical Boliden gold mine (historical production of 4 Moz at 15.1 g/t Au) located ~22 km to the southwest and smelting facilities in Skelleftea. Mandalay Resources Corporation operates the Bjorkdal gold mine located 8 km to the southwest of the Skelleftea Project, having historically produced over 1.3 Moz Au with a further 1 Moz Au remaining in M&I resources. The Skelleftea Project is also flanked by the Akerberg open-pit mine located some 2 km to the northwest, which historically produced 150 Koz Au (at 3.1 g/t Au) in the early 2000’s. In addition, there are 85 known polymetallic sulfide deposits within the Skellefte Mining District, the largest being the currently-operating Renstrom and Kristineberg mines having produced over 14 Mt and 32 Mt of polymetallic sulfide ore respectively.

The Skelleftea Project area contains outcropping gold mineralization across the 3 km x 6 km land package, with grab samples collected grading up to 15.1 g/t Au. Gold is hosted within a structurally controlled quartz-vein system containing arsenopyrite gangue. Veins occur as localized ‘vein-swarms’ within a late sub-vertical mafic dyke intruded within an interpreted pre-existing structural feature. Weak deformation fabrics observed within the host dyke suggest the gold-mineralization has a late post-deformational emplacement age, and therefore interpreted as a late-orogenic, epigenetic deposit style.

The most advanced target on the Skelleftea Project is at the Dalbacka prospect, where an approximately 180m long outcropping mafic dyke intrudes a deformed pyrrhotite-bearing graphitic black shale that extends as a clear magnetic anomaly to the east and west under cover for approximately 1.5 km. The full outcropping extent of the mafic dyke contains gold-bearing quartz/arsenopyrite mineralization across both its outcropping length and width. Highlighted results from Elemental’s exploration and Mawson’s confirmatory work include:

- Channel TR119948 3.8m at 4.5 g/t Au (true width approx. 80%).
- Channel TR119944 1.6m at 5.4 g/t (true width).
- 5 grab samples cross spanning the outcrop averaging 5.1 g/t Au (range 0.8 to 10.0 g/t Au).
- Isolated 6.0 g/t Au sample 1.8 km west of main outcrop, broadly along trend.

- Isolated 15.1 g/t Au sample found in quartz-arsenopyrite vein in the Storberget prospect located in the north of the Skelleftea Project.

Further technical details can be found in Mawson’s news release dated January 17, 2022.

The Dalbacka prospect is located on privately owned land and is fully permitted for year-round drilling. Channel samples are considered representative of the in-situ mineralization sampled, while grab samples are selective by nature and are unlikely to represent average grades on the property.

Skelleftea Option Agreement Terms

Under the terms of the Skelleftea Option Agreement, Mawson has paid Elemental \$20,000 as reimbursement for certain costs incurred to maintain the Skelleftea Project in good standing and has issued 260,000 common shares to Elemental at an issue price of \$0.16 per common share. The shares are subject to a statutory hold period expiring on May 18, 2022.

Mawson has the right to earn up to 85% of the project and enter into a joint venture. Key terms of the Skelleftea Option Agreement are as follows:

- (i) An option to earn an initial 75% interest, exercisable by Mawson subject to incurring aggregate expenditures of \$3,000,000 over four years, provided that a minimum \$220,000 is spent in year one (inclusive of \$20,000 already paid) and \$280,000 in year two.
- (ii) An option to earn an additional 10% interest (for 85% total) exercisable by Mawson upon completion of a NI 43-101 compliant pre-feasibility or feasibility study.
- (iii) Mawson will be the Operator during the option period.
- (iv) Following Mawson earning 85%, formation of a standard joint venture (“JV”), with both parties contributing to ongoing funding.
- (v) Should either party dilute below 10%, the diluting party’s interest will convert to a 2% Net Smelter Royalty (“NSR”). The non-diluting party will hold an exclusive right to acquire 50% of the NSR for \$1,500,000 at any time prior to the date that is 12 months after commercial production.

Mawson will utilize the services of Elemental to manage certain operational and statutory responsibilities on the Project.

Australia

Mawson’s efforts in Australia are centred in Victoria, which hosts one of the giant orogenic goldfields of the world with more than 80 Moz extracted since 1851. The state is now experiencing its third gold boom with the discovery of the Swan Zone at Fosterville (current proven and probable reserve 3 Mt @ 21.8 g/t gold for 2.1 Moz). There are two distinct sub-types of orogenic gold mineralization in Victoria (mesozonal and epizonal), formed during different metallogenic/orogenic events: the first recorded from the ~445 Ma Benambran Orogeny, and the second from the ~370-380 Ma Tabberabberan Orogeny occurring within distinct regional geological domains. The majority of gold recovered from the Victorian goldfields has been produced from the older, Benambran-aged mesozonal gold-quartz vein systems, targeted by the old-timers in the Bendigo and Stawell zones. More recently, Fosterville has rewritten the Victorian geological opportunity for epizonal gold deposits. We now understand that epizonal systems can develop extremely high-grade, free gold deposits, as the miners in 1859 demonstrated at Redcastle.

Southern Cross Gold

Mawson has consolidated its Australian assets into Southern Cross Gold Ltd (“SXG”), namely the 100% owned Sunday Creek tenements in Victoria and Mount Isa projects in Queensland, Redcastle and Whroo joint ventures in Victoria, and the 10% shareholdings of ASX-listed Nagambie Resources Limited (ASX:NAG) (“Nagambie”) including its Right of First Refusal over a 3,300 square kilometre tenement package held by Nagambie in Victoria. SXG is a currently a 84.6% owned subsidiary of Mawson. SXG intends to conduct its IPO and list its shares on the ASX. Mawson’s holding in SXG is anticipated to dilute to approximately 58.3% based on SXG’s issued capital upon completion of SXG’s IPO (AUD \$10,000,000 financing assumed). Under ASX listing rules, Mawson’s shareholding in SXG will be classified as ‘restricted shares’, and thus escrowed for 24 months following the completion of the IPO. SXG will have a dedicated strategy and local board and management team led by Mawson’s Executive Chairman, Michael Hudson. See also “Corporate Overview”.

Sunday Creek Project (100%)

The Sunday Creek Project is a shallow orogenic (or epizonal) Fosterville-style deposit located approximately 60 kilometres north of Melbourne and contained within 16,990 hectares of both granted exploration licences and one granted retention licence.

The main historic workings at the Sunday Creek Project have been drill tested with encouraging results and remain open at depth and along strike. Historic gold mining between 1880-1920 occurred over a greater than 11-kilometre trend where total production is reported as 41,000 oz gold at a grade of 33 g/t gold. Drilling during 1990-2000s focused on shallow, previously mined surface workings, covering an area of 100 metres in width, 800 metres length but only to 80 metres depth. As such, the entire field remains open along strike and to depth.

Mineralisation at the Sunday Creek Project is hosted in late-Silurian to early-Devonian-aged shales and siltstones containing a series of dykes of felsic-intermediate composition. Gold is concentrated mainly in and around the EW to NE-SW trending felsic dykes, within predominately NW oriented brittle multiple sheeted veins and cataclastic zones. Individual high-grade quartz-stibnite veins at Apollo and Golden Dyke, and cataclastic zones at Gladys were the focus of historical mining at Sunday Creek. These zones have been proven to continue to depth by Southern Cross Gold. Broader vein-hosted and cataclastic mineralisation grading less than 15 g/t gold appears untouched by the historic miners.

As at the date of this MD&A, 26 drill holes (MDDSC001-026) have been completed for 6,524 metres at the Sunday Creek Project where drilling continues. Assays all completed holes have been released. Selected results from the drilling activities are set out in the table below:

Drill Hole	From (m)	To (m)	Interval (m)	Au g/t	Sb %	AuEq g/t
MDDSC025	362.0	373.7	11.7	12.3	3.0	15.3
including	364.0	367.0	3.0	41.0	10.0	50.9
	370.8	371.3	0.5	15.5	3.6	19.1
MDDSC021	274.7	296.4	21.7	4.7	1.0	5.6
including	277.0	277.4	0.4	145.5	20.0	165.4
	280.4	281.5	1.1	19.2	7.5	26.7
MDDSC012	203.0	213.4	10.4	5.4	1.0	6.4
including	208.8	211.0	2.2	15.8	3.3	19.2
MDDSC015A	231.4	246.7	15.3	2.2	2.1	4.3
including	241.3	244.1	2.8	5.7	5.5	11.1
	238.1	238.6	0.5	6.6	15.3	21.9
MDDSC001	0.0	15.2	15.2	3.7	0.2	3.9
including	10.4	12.0	1.6	11.3	0.3	11.5
MDDSC005	119.8	135.5	15.7	2.6	1.0	3.6
including	133.5	135.2	1.7	8.6	4.9	13.5
MDDSC026	469.7	475.3	5.6	9.2	0.8	10.0
including	470.0	471.2	1.2	36.2	3.3	39.4

Table 4.1. Summary of key intersections drilled by Clonbinane Goldfield Pty Ltd since 2020 at the Sunday Creek project. Intersections are reported with a lower cut of 0.3 g/t AuEq cut over 2.0 metre width, with higher grades reported with a 5 g/t AuEq cut over 1.0 metre. The equation used for AuEq is $AuEq = Au + Sb/1.0046$ and is based on forecast long term USD prices of Sb \$5,600/tonne and Au \$1,750/oz.

The Sunday Creek Project is open at depth and along strike and is considered a high value exploration project with affinity to the Fosterville Mine.

Trenching work has been performed for 200 metres east of the drilled area at the Apollo prospect. Trench 1 intersected 14.0 metres at 11.5 g/t gold and 0.3 % antimony including 8.0 metres @ 19.6 g/t gold and 0.4 % antimony; Trench 2 intersected 2 metres @ 4.9 g/t gold and 0.2 % antimony. Three other trenches had minor or no gold. Mineralisation remains open 10 kilometres to the east of these trenches, where historic mining was common, but no drilling has ever taken place.

Sunday Creek - Additional Exploration Work

In addition to the drilling and trenching described above, programs have been completed at the Sunday Creek Project including geophysical surveys (3D induced polarisation and ground magnetics), LiDAR, rock chip sampling and a 1,200-point soil sampling program extending east-northeast from the drilling and trenching areas to test the 10-kilometre trend of historic epizonal dyke-hosted mineralisation which has produced significant anomalies worthy of drill testing within Southern Cross Gold's tenured areas.

Freehold Land Acquisition

In February 2022, SXG (via Clonbinane Goldfield Pty Ltd) signed a contract conditional upon satisfying the requirements of the Foreign Acquisitions and Takeovers Act 1975 (no objection being received from the Foreign Investment Review Board (FIRB)) to acquire 300 acres of freehold land at the Sunday Creek Project, with anticipated settlement on 26 May 2022. SXG views that owning the freehold land the better secures future surface access.

Whroo Project – Option to earn up to 70%

The 14-kilometre long Whroo goldfield, located 130 kilometres north of Melbourne, is one of the largest historic epizonal goldfields in Victoria and remains untested to depth. Alluvial gold mining commenced at Whroo during the initial gold boom of the 1850s and a settlement was quickly established. Significant alluvial workings are present throughout the field. Hard rock mining commenced in 1855. Whroo consists of the Balaclava Hill area which contains thirteen named reefs, while shallow workings extend the trend over 9 kilometres to the White Hills mining area. Production at Whroo is estimated to have been 40,000 oz of gold at grades varying from 5 g/t gold to >700 g/t gold. At White Hills, 21 historic gold showings and mines occur within a larger alluvial gold field.

The largest producers at Whroo were the Balaclava Open Pit (23,600 oz gold), Albert Reef (1,170 oz gold) and Carrs Reef (913 oz gold). Balaclava Hill, Albert Reef and Stockyard Reef are associated with stibnite veins. At Balaclava Hill, a 137-metre-deep shaft and an open pit (80 x 40 metres across and 30 metres deep) were developed in 1855 and although the main stratigraphic and structural orientation was east-west, mineralisation was observed in both E-W, NNE and flat veins with average widths of 3.5 metres. Outside of Balaclava, veins averaged 0.5 metres width and ran multiple ounces. The Mary Reef was 2.1 metres wide on average. The Peep-o'-Day Mine, a small antimony/gold mine had workings to 61 metres depth. The Happy-go-Lucky Mine averaged 128 g/t gold. The vertical Albert Reef ranged from 0.03-3.7 metres thickness and averaged over 94 g/t gold.

Since historic mining took place, modern exploration at Whroo has been relatively limited with few drill holes testing to below the level of oxidation, and a paucity of geophysical exploration. In the early 1970s ICI Australia and Newmont diamond drilled the only hole ever drilled (Whroo 1) at depth in the field and intersected 60 metres @ 0.35 g/t gold from 133 metres beneath the Balaclava open pit including 1.5 metre @ 6.1 g/t gold from 108.0 metres, 1.5 metres @ 1.8 g/t gold from 149.5 metres and 1.5 metres @ 5.3 g/t gold from 179.5 m. Visible stibnite was recorded but antimony and arsenic were not assayed.

During the last 12 months at Whroo, a detailed LiDAR survey was completed which extended the previously mapped Whroo historic mining field from 10 kilometres strike to 14 kilometres. GIS-based data analytics also identified 34,500 individual workings over 63 kilometres² (~550 per kilometres²) and classified the data as alluvial vs hard rock in character. A gradient array IP geophysical survey was conducted 8.5 kilometres west of the Balaclava open pit at Doctors Gully over a 4 kilometres² area.

The LiDAR data interpretation extended the mapped workings a further 4 kilometres to the east. Three reconnaissance diamond drill holes for 330.5 metres were also completed at Doctors Gully at the start of 2021, with the better results including 1.0 metre @ 2.9 g/t gold from 45.3 metres in MDDDG001, 3.8 metres @ 0.7 g/t gold from 71.7 metres in MDDDG001 and 1.6 metres @ 1.9 g/t gold from 24.7 metres in MDDDG003. Details of the further results from these drill holes are set out below. Gold distribution suggests a high degree of mobility and re-concentration in the weathered zone.

In December 2021, two deep diamond holes were completed under the Balaclava open pit, which extracted 23,600 oz gold during the 1800s. The first drill hole, MDDBC001, drilled 120 metres vertically below Whroo 1 and intersected the deepest and highest grades ever drilled on the Whroo project to date, intersecting a broad 200-metre-wide down hole zone of gold and antimony. It produced the best drill result on the field since hard rock mining commenced 167 years ago. Grades of up to 49.6 g/t Au over 0.6 metres from 324.9 metres and antimony grades including 0.2 metres

@ 16.5% antimony demonstrate SXG's second bona fide high-grade drill project after Sunday Creek. Drill hole MDDBC002 drilled 150 metres west of MDDBC001 and intersected 0.7 metres @ 5.0 g/t Au from 332.1 metres.

A selection of key intersections from the drill holes at the Whroo Project are set out below:

Drill Hole	From (m)	To (m)	Interval (m)	Au g/t	Sb %	AuEq g/t
MDDBC001	324.9	325.5	0.6	49.6	0.0	49.6
MDDBC001	201.5	202.0	0.5	16.2	0.0	16.2
MDDBC001	262.4	262.8	0.4	1.4	10.5	11.8
MDDBC001	228.0	237.5	9.5	0.5	0.0	0.5
MDDDG001	45.3	48.7	3.4	1.2	0.0	1.2
MDDBC001	362.80	365.30	2.50	0.54	0.91	1.4
Including	362.8	363.0	0.2	3.8	6.3	10.1
MDDBC001	359.6	360.4	0.8	0.3	4.1	4.4
Including	359.6	359.8	0.2	0.2	16.5	16.6
MDDBC002	332.1	332.8	0.7	5.0	0.0	5.0
MDDBC002	223.7	227.0	3.3	1.0	0.0	1.0
MDDDG003	24.7	26.2	1.6	1.9	0.0	1.9
MDDDG001	71.7	75.5	3.8	0.7	0.0	0.7
MDDDG001	34.8	37.1	2.3	0.8	0.0	0.8
MDDDG003	7.4	12.0	4.7	0.4	0.0	0.4
MDDBC001	407.4	410.5	3.1	0.5	0.0	0.5
MDDDG001	40.0	42.3	2.3	0.7	0.0	0.7
MDDBC002	40.0	42.3	2.3	0.7	0.0	0.7
MDDDG001	66.7	69.7	3.0	0.3	0.0	0.3

Table 5. Key intersections in the Whroo project reported using a 0.3 g/t AuEq cutoff over two metres and including 5.0 g/t AuEq cutoffs over one metre.

Prior to these holes, the only test of gold mineralisation to depth (110 metres vertically) along the entire Whroo goldfield was carried out by ICI Australia and Newmont in the early 1970's when they intersected 63 metres @ 0.35 g/t gold including 1.5 metre @ 6.1 g/t gold and 1.5 metres @ 5.3 g/t gold (Whroo1).

Mandalay Resources' Costerfield mine is the target model sought at the Whroo Project, where widths and grades observed in initial drilling are consistent with those observed from Costerfield, located 35 kilometres south-west from the Whroo Project. The Costerfield mine corridor contains 2Moz of gold equivalent, and in 2021 was one of the highest grade global underground mines and a top global producer of antimony. Mean drill hole true widths and grades at Costerfield are: Brunswick lode (0.7 metres @ 9.0 g/t Au and 4.0% Sb), Youle lode (0.4 metres @ 47.7 g/t Au and 11.4% Sb), Kendal Splay (0.3 metres @ 92.8 g/t Au and 41.3% Sb) and Peacock lode (0.4 metres @ 13.0 g/t Au and 6.0% Sb). The average vein width at Augusta is 0.3 metres, while the Cuffley lode averaged 0.4 metres. Average mined widths at Costerfield are 2.0 metres.

SXG intends to undertake ground-based IP to map the "mine" sandstone sequence at Balaclava and follow-up diamond drilling along strike and to depth of the drill results returned from the Balaclava area encountered in diamond drill hole MDDBC001 to increase the geological understanding of the prospect area and establish controls and potential vector/s towards high grade primary mineralisation is a key part of this follow-up drilling.

Amended and Restated Option Agreement – Whroo

On March 24, 2020, Mawson Gold and Nagambie entered into an option agreement for RL 2019, being the Doctors Gully property. On October 13, 2020, Mawson Gold and Nagambie entered into an amended and restated option agreement (which superseded the option agreement entered on March 24, 2020) for the tenements forming the Whroo – Doctors Gully property (the "Whroo Project"). The amended and restated option agreement is referred to herein as the "Whroo Option Agreement".

In August 2021, Mawson Gold acquired 100% of the issued capital of Mawson Victoria and, by extension, the right, interest, obligations and benefits to and in the Whroo Option Agreement. References in this summary to the Company include Mawson Victoria.

The Company is granted the right to earn up to the following interests in the Whroo Project:

- Payment of an initial \$100,000 as an option fee.
- A right to earn an initial 25% interest in the Whroo Project by:
 - Incurring \$400,000 in expenditure on or before 12 months;
 - incurring an additional \$500,000 in expenditure within 24 months; and
 - paying Nagambie \$50,000 on the second anniversary.
- A right to earn a further 35% in the Whroo Project by incurring additional \$1,600,000 in expenditure within 48 months, and paying Nagambie \$50,000 on each third and fourth anniversaries.
- Subject to the parties electing to form a joint venture on the basis of a 60:40 split, a right to earn a further 10% in the Whroo Project (resulting in the maximum 70% interest) by incurring an additional \$1,500,000 in expenditure at the Whroo Project within 72 months after the Whroo Effective Date.

The Company will be responsible for the management of all exploration activities at the Whroo Project as operator during the option period and may charge an operator fee equal to 5% of all other expenditures incurred by the Company.

If the joint venture has not been formed on the basis of the 60:40 split at the election of the parties, a joint venture will automatically form once the Company has earned its 70% interest, or if the Company does not earn its 70% interest, a joint venture will automatically form on the basis of a 60:40 split 72 months. The joint venture contains terms typical for arrangements of this kind. In addition;

- if a party's interest in the joint venture is diluted to 5% or less, the interest is deemed to be assigned to the other party in return for the grant of a 1.5% net smelter returns royalty on products produced from the Whroo Project and sold; and
- where a royalty is granted to a party whose interest in the joint venture is diluted to 5% or less and assigned to the other party, the royalty may be purchased by the other party within 12 months of commencement of production at the Whroo Project for a once-off cash payment of \$4,000,000.

Redcastle Project - 70% Owned

The Redcastle Project is located in central Victoria 120 kilometres north of Melbourne, 45 kilometres east of Bendigo and about 20 kilometres northeast of Heathcote. Redcastle was discovered in 1859 and named the Balmoral Diggings, later renamed 'Redcastle'. Underground mining continued until 1902. Total primary gold extracted from the Redcastle diggings was ~35,000 oz at 33 g/t.

The Redcastle Project is a shallow orogenic (or epizonal) Fosterville-style historic high-grade field held within a tenure area of 56.7 kilometres². It is located 2 kilometres along strike from Mandalay Resources' Costerfield mine exploration licences and 24 kilometres east of Agnico Eagle's Fosterville mine – two of the world's highest grade gold mines. Part of the northern margin of the claim adjoins a Newmont Corporation exploration licence application ELA 6893.

Its proximity to the operating Costerfield mine gives the Redcastle Project accessibility to appropriate infrastructure to advance projects beyond should it move beyond exploration.

The Redcastle Project is one of the most significant historic epizonal high-grade goldfields in Victoria, Australia. First discovered in 1859, it is a uniquely Victorian opportunity where significant historically mined epizonal gold systems remain poorly explored to depth. Its extremely high gold grades with visible gold in quartz (+/- stibnite association) were mined over a 4.5 x 7 kilometre area containing over 24 historic mining areas but it remains poorly explored to depth.

Better historic mines include the Welcome Group of mines were exploited over 2 kilometres strike length from 1859–1865, down to a maximum depth of 125 metres and extracted 20,583 oz @ 254.6 g/t gold; the Beautiful Venus Group of mines are located 2.5 kilometres east of the Welcome Group; the reef was worked along strike for 61 metres on surface and 30 metres at the base of the shaft and averaged 0.6 metres @ 93 g/t to 311 g/t gold. Other styles worked in this field included quartz-vein stockworks in sandstones and dyke-hosted mineralisation.

Modern exploration work undertaken prior to SXG at Redcastle began in 1985 included extensive rock chip (1,795 samples) and soil geochemical programs (1,619 soil samples); RC (169 drill holes totalling 7,950.5 metres) and RAB

drill programs; costean mapping programs (128 costeans totalling 6,051.6 metres) and extensive geophysical surveys. Exploration within Redcastle concentrated mostly on gold, with areas of past mining and known mineralisation being the focus for most companies.

Seventeen kilometres of combined high-grade vein strike remains completely untested below the workings and below the water table (50 metres average depth). Selected drill results from these previous shallow holes marginal to the high-grade mines include: 10 metres at 2.5 g/t gold from 22 metres (RRC26), 2 metres at 10.7 g/t gold from 39 metres (RRC41) and 2 metres at 6.03 g/t gold from 26 metres (PR16). None of this historic drill data have been independently verified at this time. The true thickness of the mineralised intervals is not known at this stage. No systematic geophysical surveys were undertaken.

The exploration strategy at Redcastle over the last 18 months during the earn-in period under the Option Agreement with Nagambie has focused on searching for high-grade epizonal gold at depth beneath historic mines. The approach was to compile all historical mining and exploration data into a 3D model and apply large scale geophysical and remote sensing methods to identify mineral systems below 50 metres depth, followed by oriented diamond drilling to test targets.

Mawson Victoria has drilled 16 drillholes for 2,786.9 metres across total of eight prospects at Redcastle (for an average hole depth of 174.2 metres). Thin to moderate grades and widths of gold were discovered in all drill holes, except those that hit historic mine workings. Details of further drill results received at the Redcastle Project are set out in the IGR. Many targets require follow-up drilling.

Drill Hole	From (m)	To (m)	Interval (m)	Au g/t	Sb %	AuEq g/t
MDDRE010	75.7	77.5	1.8	3.0	0.0	3.0
including	76.3	76.9	0.5	9.1	0.0	9.1
MDDRE006	50.0	59.0	9.0	0.4	0.0	0.4
MDDRE009a	51.5	53.3	1.9	1.0	0.2	1.1
including	52.7	52.9	0.3	4.2	1.2	5.3
MDDRE005	73.2	75.1	1.9	0.6	0.0	0.6
MDDRE012	121.9	122.3	0.4	2.1	0.0	2.1
MDDRE008	148.2	149.5	1.3	0.7	0.0	0.7
including	148.2	148.3	0.1	7.2	0.0	7.2
MDDRE004	40.2	40.6	0.4	2.2	0.0	2.3
MDDRE003	54.9	55.8	0.9	0.8	0.0	0.8
MDDRE008	198.5	199.0	0.5	1.4	0.0	1.4
MDDRE001	92.6	93.0	0.4	1.6	0.0	1.6
MDDRE005	84.1	86.1	2.0	0.3	0.0	0.3
MDDRE002	86.2	87.0	0.8	0.6	0.0	0.6
MDDRE013	104.1	106.1	2.0	0.2	0.0	0.2

Table 6. Selected intersections in the Redcastle project reported using a 0.3 g/t AuEq cutoff over two metres and including 5.0 g/t AuEq cutoffs over one metre.

SXG intends to conduct diamond drilling at Clarkes 3D IP anomaly, Redcastle North, Beautiful Venus and the Mullocky prospects to test for down-plunge extensions and high-grade gold shoots in these areas as well as undertaking a planned extensive soil sampling program over the Black Squall anomaly.

Option Agreement – Redcastle

On 24 March 2020, Mawson Gold and Nagambie entered into an option agreement (“Redcastle Option Agreement”) for EL 5546, being the Redcastle Project. References in this summary to the Company include Mawson Victoria.

In August 2021, the Company acquired 100% of the issued capital of Mawson Victoria and, by extension, the right, interest, obligations and benefits to and in the Redcastle Option Agreement. References in this summary to the Company include Mawson Victoria.

A summary of the material terms of the Redcastle Option Agreement is set out below.

The Company was granted the right to earn up to the following interests in the Redcastle Project

- The Company incurring expenditure of \$100,000 on or before 12 months
- an option to earn an initial 25% interest in the Redcastle Project by incurring \$150,000 in expenditure at the Redcastle Project within 24 months
- An option to earn a further 25% in the Redcastle Project by incurring additional \$250,000 in expenditure within 36 months
- An option to earn a further 20% in the Redcastle Project by incurring additional \$500,000 in expenditure at the Redcastle Project within 60 months.

The Company will be responsible for the management of all exploration activities at the Redcastle Project as operator during the option period and may charge an operator fee equal to 5% of the aggregate costs in respect of the Redcastle Project.

The Redcastle Option Agreement contains terms typical for arrangements of this kind. In addition:

- if a party's interest in the joint venture is diluted to 5% or less, the interest is deemed to be assigned to the other party in return for the grant of a 1.5% net smelter returns royalty on products produced from the Redcastle Project and sold; and
- where a royalty is granted to a party whose interest in the joint venture is diluted to 5% or less and assigned to the other party, the royalty may be purchased by the other party within 12 months of commencement of production at the Redcastle Project for a once-off cash payment of \$4,000,000.

Mt Isa Project – 100%

SXG, via its wholly owned subsidiary Mawson Queensland, holds seven exploration prospecting licences for 861 kilometre² of granted exploration licences in the Cloncurry district of Mt Isa, over a combined 60 kilometres of strike, and is surrounded by South32 Ltd and Sandfire Resources Ltd.

SXG is exploring for large iron-oxide-copper-gold (IOCG) and Broken Hill type (BHT) or Cannington-style Pb-Zn-Ag deposits in the Eastern Succession of the Mount Isa Block. The area is entirely under cover (estimated thickness 250 metres to 400 metres) and virtually unexplored.

In 2019, Mawson Queensland flew 100 metre spaced airborne magnetics and completed a 1 kilometre x 1 kilometre ground-based gravity over its entire Mount Isa SE tenements. This program was partly funded in part by a \$100,000 grant from the Queensland Government's Collaborative Exploration Initiative (CEI). This work defined gravity and/or magnetic targets which included the multi-point definition of the priority F11 target.

In July 2020, Mawson Queensland received \$200,000 funding for the F11 drill program under the Queensland Government's Collaborative Exploration Initiative. Mawson Queensland subsequently completed its first, and only, drill hole (MQDDH001) to 849.7 metres with basement rocks intersected at 318 metres.

The lower part of the drill hole below 750 metres contains most of the sulphides of interest, in particular pyrrhotite-rich zones with veinlets and disseminated chalcopyrite hosted by potassic-altered metasediments and mafic rocks. It is within these zones that the anomalous copper (up to 8,660 ppm Cu 0.3 m) occurs.

The increase in copper and associated elements lower in the drill hole and the strong correlation with the emplacement and sulphidic alteration is an encouraging sign for development of further mineralisation in the area. Texturally late sulphide enrichment and/or mobilisation is a feature of mineralisation styles in the Eastern Succession, largely driven by fluids derived from the Williams-Naraku igneous suite. Magnetic susceptibility data were collected on MQDDH001 diamond drill core in April 2021 but have not adequately provided a source of the deeper magnetic target.

At Mt Isa, Southern Cross has ranked seven high priority coincident gravity and magnetic targets from the recently acquired ground and airborne surveys and plans to selectively drill 3-4 target areas under the thick cover sequences.

Future Developments

The main goal in Finland is to demonstrate increased mineralization at Rajapalot whilst concurrently de-risk ounces through permitting and engineering. Mawson's goal in Australia is to develop high quality targets in its Victoria and realize value to its shareholders through Southern Cross listing on the ASX.

Finland

Future work in Finland will focus on a dual strategy to:

- Prospecting and drilling targeting predominately new exploration prospects to demonstrate the district-scale geological system at Rajapalot.
- De-risk current and future ounces via social licensing, permitting, metallurgy and engineering.
 - EIA and land use planning studies.
 - Metallurgical testwork for cobalt and gold
 - Preliminary economic assessment on the Rajapalot Project

Victoria, Australia

- Continue to build Victorian mineral portfolio.
 - Continued drilling at Sunday Creek to extend mineralization at depth and along strike
 - Initial metallurgical studies at Sunday Creek
 - Further drill results from Sunday Creek and the maiden two-hole drill program at the Whroo Joint Venture project are pending.
 - Progress the restructuring of Southern Cross, including completion of the IPO on the ASX.

Qualified Person

Michael Hudson, Executive Chairman of Mawson Gold, and a Fellow of the Australasian Institute of Mining and Metallurgy is a qualified person as defined by National Instrument 43-101 - Standards of Disclosure or Mineral Projects and has prepared or reviewed the preparation of the scientific and technical information provided under Exploration Projects of this document.

Financial Data

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

	Fiscal 2022			Fiscal 2021				Fiscal 2020
	Feb 28 2022 \$	Nov 30 2021 \$	Aug 31 2021 \$	May 31 2021 \$	Feb 28 2021 \$	Nov 30 2020 \$	Aug 31 2020 \$	May 31 2020 \$
Operations:								
Revenues	Nil							
Expenses	(549,494)	(824,082)	(647,535)	(538,338)	(702,621)	(863,680)	(919,440)	(838,170)
Other items	(598,631)	(729,498)	745,039	217,457	499,531	(71,704)	(562,286)	1,453,826
Net and comprehensive (loss) income	(1,148,125)	(1,553,580)	97,504	(320,881)	(203,090)	(935,384)	(1,481,726)	615,656
Basic and diluted (loss) income per share	(0.00)	(0.01)	0.00	(0.00)	(0.00)	(0.00)	(0.01)	0.00
Dividends per share	Nil							
Balance Sheet:								
Working capital	6,231,761	2,866,972	5,018,115	6,694,302	10,018,006	14,017,137	16,917,266	18,031,038
Total assets	61,808,688	53,683,436	54,748,628	54,962,290	56,436,571	55,242,943	55,823,176	57,427,133
Total long-term liabilities	Nil							

Results of Operations

Three Months Ended February 28, 2022 Compared to Three Months Ended November 30, 2021

During the three months ended February 28, 2022 (“Q3”) the Company reported a net loss of \$1,148,125 compared to a net loss of \$1,553,580 for the three months ended November 30, 2021 (“Q2”), a decrease in loss of \$405,455. The fluctuation is mainly due to the change in foreign exchange from a loss of \$25,506 in Q2 compared to a gain of \$121,428 in Q3. In addition the Company had a \$274,588 decrease in expenses, from \$824,082 in Q2 to \$549,494 in Q3.

Nine Months Ended February 28, 2022 Compared to Six Months Ended February 28, 2021

During the nine months ended February 28, 2022 (the “2022 period”) the Company reported a net loss of \$2,604,201 compared to a net loss of \$2,620,200 for the nine month ended February 28, 2021 (the “2021 period”), a decrease in loss of \$15,999. The decrease in loss was attributed to:

- (i) recognition of an unrealized loss on investments of \$294,605 in the 2021 period compared to an unrealized loss on investments of \$722,057 in the 2022 period primarily due to the fluctuations in the quoted stock prices of Nagambie shares; and
- (ii) a decrease in general and administrative expenses of \$464,630, from \$2,485,741 during the 2021 period to \$2,021,111 during the 2022 period. Significant variances in general and administrative expenses are as follows:
 - during the 2021 period the Company engaged consultants to provide strategic consulting, media and business development services on behalf of the Company and, as a result, corporate advisory fees totalling \$750,434 were incurred during the 2021 period. No corporate advisory services were rendered during the 2022 period;
 - incurred legal expenses of \$206,708 during the 2022 period compared to \$117,117 during the 2021 period. The increase in the 2022 period was primarily attributed to significant legal fees incurred to review the complicated process to conduct the spin-out of the Australian assets through Southern Cross Gold;
 - recognition of share-based compensation of \$246,500 in the 2022 period compared to \$199,753 in the 2021 period on the granting and vesting of share options and RSUs;
 - incurred travel expenses of \$76,646 during the 2022 period compared to \$25,488 during the 2021 period. During the 2021 period travel activities were severely curtailed due to COVID-19 pandemic restrictions. Increased travel resumed in the 2022 period as travel restrictions were eased;
 - incurred general exploration of \$77,375 during the 2022 period compared to \$150,876 during the 2021 period mainly for the acquisition of specialized software to analyze exploration related data; and
 - incurred professional fees of \$221,737 during the 2022 period compared to \$172,969 during the 2021 period, reflecting the engagement of a consultant to provide corporate advisory services.

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 the 2022 period the Company reported interest income of \$29,412 compared to \$111,726 during the 2021 period due to lower levels of cash held during the 2022 period compared to the 2021 period.

Investments

	As at February 28, 2022			
	Number	Cost \$	Unrealized Gain (Loss) \$	Carrying Value \$
Common shares				
Nagambie Resources Limited (“Nagambie”)	50,000,000	1,572,500	684,046	2,256,546
Kingsmen Resources Limited (“Kingsmen”)	37,500	45,000	(37,687)	7,313
		<u>1,617,500</u>	<u>646,359</u>	<u>2,263,859</u>

	As at May 31, 2021			
	Number	Cost \$	Unrealized Gain (Loss) \$	Carrying Value \$
Common shares				
Nagambie Resources Limited (“Nagambie”)	50,000,000	1,572,500	1,407,791	2,980,291
Kingsmen Resources Limited (“Kingsmen”)	37,500	45,000	(39,375)	5,625
		<u>1,617,500</u>	<u>1,368,416</u>	<u>2,985,916</u>

Financings

During the 2022 period the Company completed a public offering totalling 36,667,000 common shares of the Company at \$0.15 per unit for gross proceeds of \$5,500,050. In addition the Company issued 110,138 common shares on the exercise of warrants for \$20,376.

No financings were completed during the 2021 period. During the 2021 period the Company issued a total of 2,095,820 common shares on the exercise of share options and warrants for \$452,645.

In January and February 2022 the Company’s subsidiary, Southern Cross, conducted private placements to raise AUD \$2,725,000 and the Company’s interest in Southern Cross was diluted from 100% to 84.6%. As a result the Company recognized a non-controlling interest of \$2,363,602 on the dilution.

Exploration and Evaluation Assets

	As at February 28, 2022			As at May 31 2021		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Finland						
Rompas-Rajapalot	3,621,003	38,517,392	42,138,395	3,349,056	36,133,018	39,482,074
Sweden						
Skelleftea North	70,357	-	70,357	-	-	-
Australia						
Sunday Creek	764,216	2,403,423	3,167,639	735,677	1,298,127	2,033,804
Redcastle	41,293	1,493,216	1,534,509	36,782	1,406,671	1,443,453
Whroo JV	98,351	434,105	532,456	94,851	185,255	280,106
Mount Isa SE	304,556	556,311	860,867	273,250	553,622	826,872
	<u>4,899,776</u>	<u>43,404,447</u>	<u>48,304,223</u>	<u>4,489,616</u>	<u>39,576,693</u>	<u>44,066,309</u>

During the 2022 period the Company incurred a total of \$4,237,914 (2021 - \$6,313,562) on the acquisition, exploration and evaluation of its unproven resource assets of which \$2,656,321 (2021 - \$3,766,822) was incurred on its Finnish properties, \$70,357 on its Swedish property and \$1,511,236 (2020 - \$2,546,740) on its Australian properties. See “Exploration Projects” in this MD&A for details.

Financial Condition / Capital Resources

As at February 28, 2022 the Company has working capital of \$6,231,761. In addition, Southern Cross intends to raise up to AUD \$10,000,000 in its IPO. See also “Corporate Overview”. Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months. 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. 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 “COVID-19”.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has announced that it is reorganizing its Australian assets, as described in “Corporate Overview” and “Property Assets and Exploration Activities - Southern Cross Gold”. The reorganization process is comprehensive and is subject to many factors, including current market conditions and necessary regulatory and shareholder approvals. The Company is under no obligation to complete the IPO and there can be no assurance that the IPO will be completed on the terms described herein or at all, or that the Southern Cross ordinary shares will be listed on the ASX.

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, 2021 audited annual consolidated financial statements.

Changes in 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, 2021 audited annual 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 the 2022 and 2021 periods the following fees were incurred:

	2022 \$	2021 \$
Professional fees - Mr. Hudson - Chairman, former CEO and director ⁽¹⁾	126,000	126,000
Other compensation - Mr. Hudson	20,000	-
Professional fees - Mr. Fairhall - CEO and director ⁽²⁾	128,583	-
Professional fees - Mr. Cook - Chief Geologist, former President ⁽³⁾	156,120	158,446
Other compensation - Mr. Cook	20,000	-
Professional fees - Mr. DeMare - CFO and director	18,000	18,000
Other compensation - Mr. DeMare	10,000	-
Professional fees - Mr. Henstridge - director	13,500	13,500
Professional fees - Mr. Maclean - director	13,500	13,500
Professional fees - Mr. Williams - director ⁽⁴⁾	18,500	22,500
Professional fees - Ms. Ahola - director ⁽⁵⁾	71,470	73,004
Other compensation - Ms. Ahola	30,769	-
Professional fees - Ms. Bermudez - Corporate Secretary	31,360	29,820
Other compensation - Ms. Bermudez	10,000	-
	<u>678,779</u>	<u>454,770</u>

(1) Mr. Hudson resigned as CEO of the Company on September 7, 2021.

(2) Mr. Fairhall was appointed CEO of the Company on September 7, 2021 and became a director on November 29, 2021.

(3) Mr. Cook resigned as President of the Company and was appointed Chief Geologist on September 8, 2020.

(4) Mr. Williams received \$13,500 (2021 - \$13,500) for director fees and \$5,000 (2021 - \$9,000) for being a member of the Advisory Committee.

(5) Ms. Ahola received \$13,500 (2021 - \$13,500) for director fees and \$88,739 (2021 - \$59,504) for being a member of the Environmental Health and Safety Committee.

During the 2022 period the Company allocated the \$631,242 (2021 - \$454,770) professional fees and salaries based on the nature of the services provided: expensed \$422,943 (2021 - \$236,260) to directors and officers compensation and capitalized \$208,299 (2021 - \$217,950) to exploration and evaluation assets. As at February 28, 2022 \$91,656 (May 31, 2021 - \$59,434) remained unpaid.

During the 2022 period the Company also recorded \$179,000 (2021 - \$nil) share-based compensation for share options and RSUs granted to key management personnel as follows:

	2022 \$	2021 \$
Mr. Fairhall - share based compensation for RSUs	66,000	-
Mr. Fairhall - share based compensation for share options	25,000	-
Mr. Hudson - share based compensation for RSUs	44,000	-
Mr. Cook - share based compensation for RSUs	44,000	-
	<u>179,000</u>	<u>-</u>

Pursuant to various agreements with its Chairman (Mr. Hudson), CEO (Mr. Fairhall) and Chief Geologist (Mr. Cook), the Company is currently committed to pay up to approximately \$735,000 in the event of termination without cause or a change of control.

- (b) During the 2022 period the Company incurred a total of \$45,650 (2021 - \$54,500) 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 \$3,015 (2021 - \$3,015) for rent. As at February 28, 2022 \$335 (May 31, 2021 - \$4,170) remained unpaid.
- (c) During the 2022 period the Company purchased a vehicle for \$56,179 from a private corporation controlled by Mr. Hudson.

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. The Company is dealing with certain Finnish environmental authorities in regards to certain issues on the Rompas-Rajapalot property. See also “Exploration Projects - Finland - Environment and Permitting”. 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.

The Company’s material mineral properties are located in Finland and Australia and consequently the Company is subject to certain risks, including currency fluctuations which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by governmental regulations relating to the mining industry.

Additional risks and uncertainties relating to the Company and its business can be found in the “Risk Factors” section of the Company’s most recent Annual Information Form available at www.sedar.com or the Company’s website at www.mawsongold.com.

Outstanding Share Data

The Company’s authorized share capital is unlimited common shares without par value. As at April 12, 2022 there were 293,590,800 issued and outstanding common shares. In addition, there were 13,297,520 share options

outstanding, at exercise prices ranging from \$0.155 to \$0.50 per share and 30,350,045 warrants outstanding at exercise prices ranging from \$0.15 to \$0.45 per share.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings* ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. Management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Due to the minimal number of staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures.

Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of the assets of the Company; providing reasonable assurance that transactions are recorded as necessary for preparation of the Company's consolidated financial statements in accordance with IFRS; providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company's assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's consolidated financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of February 28, 2022.

Changes in Internal Control over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have concluded that there has been no change in the Company's internal control over financial reporting during the period beginning on December 1, 2021 and ending on February 28, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.