SOUTHERN CROSS GOLD CONSOLIDATED LTD.

(*formerly Mawson Gold Limited*)

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

(Expressed in Canadian Dollars)

D&H Group LLP
Chartered Professional Accountants
300 – 855 Homer Street
Vancouver, BC V6B 2W2

dhgroup.ca
t. 604.731.5881
f. 604.731.9923

Independent Auditor's Report

To the Shareholders of Southern Cross Gold Consolidated Ltd.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

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

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

How the Key Audit Matter Was Addressed in the Audit
Our approach to addressing the matter included the following procedures, among others:
Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

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

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

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

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

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

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

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

D&H Group LLP
Chartered Professional Accountants
300 – 855 Homer Street
Vancouver, BC V6B 2W2

dhgroup.ca
t. 604.731.5881
f. 604.731.9923

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

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

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

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

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

D&H Group LLP
Chartered Professional Accountants
300 – 855 Homer Street
Vancouver, BC V6B 2W2

dhgroup.ca
t. 604.731.5881
f. 604.731.9923

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

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

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

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

"D&H Group LLP"

Vancouver, B.C.
August 28, 2025

Chartered Professional Accountants

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

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

Nature of Operations and Name Change - see Note 1

Events after the Reporting Period - Note 18

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

/s/ David Henstridge
David Henstridge
Director

/s/ Michael Hudson
Michael Hudson
Director

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

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

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

Loss per common share - see Note 12

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

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

Year Ended May 31, 2025

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

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

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

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

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

Supplemental cash flow information - Note 16

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

1. Nature of Operations and Name Change

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

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

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

2. Basis of Preparation

Statement of Compliance

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

Basis of Measurement

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

Discontinued Operations

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

Details of the Group and Non-controlling Interest

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

2. Basis of Preparation (continued)

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

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

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

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

3. Material Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

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

Critical Judgments

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

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Company's entities' functional currencies are the Canadian dollar and the Australian dollar, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

(iii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

3. Material Accounting Policies (continued)

(iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(v) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 14.

Estimation Uncertainty

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

(i) Depreciation expense is allocated based on assumed useful life of property, plant and equipment. Should the useful life differ from the initial estimate, an adjustment would be made in the statement of operations.

(ii) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. As at May 31, 2025 and 2024 there were no decommissioning liabilities.

(iii) The assessment of any impairment of exploration and evaluation assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2025 management made an impairment charge of $361,289 (2024 - $919,192) on certain of its exploration and evaluation assets, as described in Note 8.

(iv) Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

Cash and Cash Equivalents

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

Amounts Receivable

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

3. Material Accounting Policies (continued)

Accounts Payable and Accrued Liabilities

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

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

Exploration and Evaluation Assets

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

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

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

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

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

Government Assistance

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

Property, Plant and Equipment

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

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

3. Material Accounting Policies (continued)

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

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

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

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

Leases

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

Impairment of Assets

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

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

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

3. Material Accounting Policies (continued)

Decommissioning Provision

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

Financial Instruments

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

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

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

Share Capital

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

Equity Financing

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

3. Material Accounting Policies (continued)

Share-Based Payment Transactions

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

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

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

Current and Deferred Income Taxes

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

Current Tax

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

Deferred Tax

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

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

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

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

3. Material Accounting Policies (continued)

Loss Per Share

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

Foreign Currency Translation

Functional and Presentation Currency

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

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

Foreign Currency Transactions

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

Adoption of New Accounting Standards

Accounting Standards and Interpretations Issued but Not Yet Effective

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

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

(Expressed in Canadian Dollars)

4. Corporate Restructuring

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

Under the terms of the SXG AUS Scheme:

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

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

	$
Cash	613,832
Exploration and evaluation assets	42,548
	656,380

(ii) on January 10, 2025, the Company effected a share consolidation of its common shares on the basis of one (1) post-consolidation share (a "Consolidated Share") for every 3.169432 pre-consolidation common shares (the "Consolidation"). As a result, the 306,138,320 common shares issued and outstanding prior to the Consolidation were reduced to 96,590,894 common shares, and outstanding stock options were adjusted accordingly. In addition the Company changed its name to Southern Cross Gold Consolidated Ltd.

(iii) on January 23, 2025, the Company issued 125,041,013 common shares of the Company, with a fair value of $3.35 per share for total consideration of $418,887,454, to acquire the SXG AUS Shares; and

(iv) on January 15, 2025, the Company's securities commenced quotation on the ASX under the ticker symbol "SX2" and are settled in the form of CHESS Depositary Interests ("CDIs").

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

5. Disposal of Mawson Oy

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

(Expressed in Canadian Dollars)

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

(a) *Assets and Liabilities of Discontinued Operations*

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

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

(b) *Net Loss from Discontinued Operations*

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

(Expressed in Canadian Dollars)

6. Investments

	As at May 31, 2025			
	Number	Cost $	Unrealized Loss $	Carrying Value $
Common shares				
Nagambie Resources Limited ("Nagambie")	53,361,046	1,768,741	(1,013,319)	755,422
Kingsmen Resources Limited ("Kingsmen")	18,750	45,000	(26,625)	18,375
		1,813,741	(1,039,944)	773,797

	As at May 31, 2024			
	Number	Cost $	Unrealized Loss $	Carrying Value $
Common shares				
Nagambie	53,361,046	1,768,741	(1,282,798)	485,943
Kingsmen	18,750	45,000	(38,437)	6,563
		1,813,741	(1,321,235)	492,506

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

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

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

7. Property, Plant and Equipment

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

(Expressed in Canadian Dollars)

7. Property, Plant and Equipment (continued)

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

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

The Land Purchase Consideration has been allocated as follows:

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

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

8. Exploration and Evaluation Assets

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

(Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets (continued)

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

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

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

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

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

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

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

(c) ***Australia Projects***

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

(i) *Sunday Creek Project*

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

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

(Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets (continued)

(ii) *Redcastle, Australia*

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

(iii) *Whroo JV, Australia*

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

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

(iv) *Commitments*

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

	AUD $
Within one year	689,700
One to five years	311,300
Total	1,001,000

9. Right of Use Assets

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

(Expressed in Canadian Dollars)

9. Right of Use Assets (continued)

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

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

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

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

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

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

	$
Less than one year	276,815
Greater than one year	1,259,014
	1,535,829

(Expressed in Canadian Dollars)

10. Share Capital

(a) *Authorized Share Capital*

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

(b) *Share Consolidation*

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

(c) *Equity Financings*

Fiscal 2025

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

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

Fiscal 2024

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

(d) *Warrants*

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

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

(e) *Incentive Plans*

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

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

(Expressed in Canadian Dollars)

10. Share Capital (continued)

No share options were granted during fiscal 2024.

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

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

(1) In agreement with the Option Plan, 250,000 share options were exercised on a cash-less basis (net exercise) for the issuance of 220,899 common shares.
(2) Average Canadian currency equivalent.
(3) Share options exercisable in AUD $ have been incorporated based on Canadian currency equivalents at the exchange rate as of May 31, 2025.

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

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

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

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

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

(Expressed in Canadian Dollars)

10. Share Capital (continued)

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

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

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

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

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

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

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

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

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

(Expressed in Canadian Dollars)

10. Share Capital (continued)

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

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

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

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

(iv) *SXG AUS Employer Security Ownership Plan*

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

A summary of SXG AUS ESOs at May31, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

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

11. Non-controlling Interests

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

(Expressed in Canadian Dollars)

11. Non-controlling Interests (continued)

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

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

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

12. Loss per Common Share

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

(Expressed in Canadian Dollars)

13. Related Party Disclosures

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

(a) *Transactions with Key Management Personnel*

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

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

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

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

(c) See also Note 9.

14. Income Taxes

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

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

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

	2025	2024
Income tax rate reconciliation		
Combined federal and provincial income tax rate	27.0%	27.0%

(Expressed in Canadian Dollars)

14. Income Taxes (continued)

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

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

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

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

15. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

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

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

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

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

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

(Expressed in Canadian Dollars)

15. Financial Instruments and Risk Management (continued)

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

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

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

Credit Risk

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

Liquidity Risk

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

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

Market Risk

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

(a) Interest Rate Risk

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

(b) Foreign Currency Risk

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

(Expressed in Canadian Dollars)

15. Financial Instruments and Risk Management (continued)

Balances are as follows:

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

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

Capital Management

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

16. Supplemental Cash Flow Information

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

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

(Expressed in Canadian Dollars)

17. Segmented Information

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

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

	As at May 31, 2025				
	Canada $	Australia $	USA $	Sweden $	Total $
Current assets	141,939,124	9,851,211	-	13,440	151,803,775
Investments	18,375	755,422	-	-	773,797
Property, plant and equipment	-	16,539,752	-	-	16,539,752
Exploration and evaluation assets	-	74,687,028	-	-	74,687,028
Right of use assets	-	1,263,617	-	-	1,263,617
Bonds	-	70,030	15,896	10,059	95,985
	141,957,499	103,167,060	15,896	23,499	245,163,954

	As at May 31, 2024				
	Canada $	Australia $	USA $	Sweden $	Total $
Current assets	3,470,815	12,384,719	-	9,368	15,864,902
Investments	6,563	485,943	-	-	492,506
Property, plant and equipment	-	3,256,581	-	-	3,256,581
Exploration and evaluation assets	-	20,123,348	-	399,620	20,522,968
Right of use assets	-	202,759	-	-	202,759
Bonds	-	46,138	14,941	8,466	69,545
	3,477,378	36,499,488	14,941	417,454	40,409,261

18. Events after the Reporting Period

Subsequent to May 31, 2025 the Company:

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