

# Mawson West Announces Exercise of Loan Warrants and Repayment of Secured Loan Drawn to Date

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PERTH, Jun 14, 2016 - [Mawson West Ltd.](#) (TSX:MWE) ("Mawson" or the "Company") wishes to announce that the ordinary share purchase warrants (the "Warrants") issued by the Company to Galena Private Equity Resources Fund LP ("Galena") on March 2, 2016 in connection with the provision of a US\$20.0 million interest free, secured loan (the "Loan") on the same date from Galena to Mawson's subsidiary, Anvil Mining Congo SA ("Anvil"), have been exercised in part.

To date, Anvil has drawn down US\$12.0 million, or 60%, of the Loan. In accordance with the terms of the Warrants, Galena has exercised 60% of the Warrants to acquire 1,646,520,000 ordinary shares of the Company at the Warrant exercise price of C\$0.01 per share for gross proceeds to Mawson of C\$16,465,200. Galena continues to hold Warrants exercisable to acquire a balance of 1,097,680,000 ordinary shares of the Company at the exercise price of C\$0.01 per share until December 31, 2017.

The proceeds from the exercise of the Warrants have been applied and set-off against the US\$12.0 million drawn down under the Loan to date and such amount has been repaid and satisfied in full as a result. The balance of proceeds has been used to repay an additional US\$569,534 of debt owed to Galena under previous loans.

The exercise of the Warrants follows the receipt of disinterested shareholder approval for the issuance of the ordinary shares issuable upon exercise of the Warrants at the shareholders meeting of the Company held on May 31, 2016.

The Loan and the issuance of the Warrants and underlying ordinary shares upon exercise of the Warrants constitute related party transactions for purposes of Canadian Multilateral Instrument 61-101 as Galena is an insider of Mawson, having owned 579,530,761 ordinary shares of Mawson, representing approximately 77.1% of the issued and outstanding shares of the Company prior to the provision of the Loan and the issuance and exercise of the Warrants. The Company is relying upon the "financial hardship" exemption to the valuation and minority approval requirements under MI 61-101 in relation to the Loan and the issuance of the Warrants, and the Company's independent directors have determined that the Company is in serious financial difficulty, the transaction is designed to improve the financial position of the Company, and the terms of the transaction are reasonable in the circumstances of the Company. The Company is also relying on the "financial hardship" exemption to the valuation requirement under MI 61-101 in relation to the issuance of the underlying ordinary shares upon exercise of the Warrants. As noted above, however, such issuance was subject to disinterested shareholder approval and the Company also obtained an independent expert's report in connection with seeking such approval.

## Galena Early Warning Reporting

As noted above, Galena (whose address is Maples Corporate Services Limited, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands) acquired ownership and control of 1,646,520,000 ordinary shares of Mawson upon exercise of the Warrants, representing approximately 68.0% of the issued and outstanding ordinary shares of Mawson post-exercise. As a result, Galena now owns and controls a total of 2,244,050,761 ordinary shares of Mawson, representing approximately 92.7% of the issued and outstanding ordinary shares of Mawson.

Galena continues to hold Warrants exercisable to acquire a balance of 1,097,680,000 ordinary shares of the Company at the exercise price of C\$0.01 per share until December 31, 2017. In the event that Galena exercises these Warrants, it would have ownership and control over 3,341,730,761 ordinary shares of Mawson West, representing approximately 95.0% of the ordinary shares of Mawson West post-warrant exercise.

In addition, Galena holds previously issued warrants of Mawson exercisable to acquire 83,333,334 ordinary shares of Mawson (the "2014 Warrants"). In the event that Galena exercises the 2014 Warrants, it would have ownership and control over 3,425,064,095 ordinary shares of Mawson, representing approximately

95.1% of the ordinary shares of Mawson post-warrant exercise.

Galena acquired these securities for investment purposes. As a result of the exercise of the Warrants resulting in Galena owning more than 90% of the issued and outstanding ordinary shares of the Company, Galena intends to consider alternatives for taking Mawson private, including the possible acquisition of all of the ordinary shares of the Company not owned by it pursuant to compulsory acquisition provisions available under Australian corporate law. In addition, subject to applicable law, Galena may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant. A copy of the early warning report required to be filed by Galena with applicable securities commissions in connection with this acquisition will be available for viewing under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and a copy of the early warning report may be obtained by contacting media relations for Galena, at +41 (0) 22 592 4528 or [media@galena-invest.com](mailto:media@galena-invest.com).

### **About Mawson West Limited**

Mawson West is a copper and silver-focused resource company listed on the Toronto Stock Exchange (TSX) and based in Perth, Australia.

The Company's two key projects are the Dikulushi copper-silver mine and the Kapulo copper mine located in the South Eastern province of the Democratic Republic of Congo (DRC), both of which are currently on care and maintenance. Mawson West also has a significant land holding of approximately 7,300km<sup>2</sup> in the DRC's rich copper belt.

### **About Galena Private Equity Resources Fund**

Galena Private Equity Resources Fund LP is a US\$400 million closed end Cayman Islands limited partnership designed to invest in the natural resources sector. Galena is managed by Galena Asset Management S.A., a Switzerland based fund manager operated by independent specialist management as part of the Trafigura Group. Galena seeks to draw on the commodity, metals and mining and technical expertise of the Trafigura Group, investing in late stage and producing assets in a variety of jurisdictions and commodities around the globe.

### **Forward-looking statements**

*This news release contains certain "forward looking statements". These statements reflect management's current beliefs with respect to future events and are based on information currently available to management of the Company. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including (without limitation) the risks identified in the "Risk Factors" section of the Company's Annual Information Form and other public filings (copies of which may be obtained at [www.sedar.com](http://www.sedar.com)). The results or events depicted in these forward-looking statements may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this news release 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.*

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this press release.*

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