

# MAWSON RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009

### Background

This discussion and analysis of financial position and results of operation is prepared as at January 13, 2010, and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the six months ended November 30, 2009 of Mawson Resources Limited ("Mawson" or the "Company"). Those consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### Company Overview

The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "MAW" and on the Frankfurt Stock Exchange under the trading symbol "MRY".

Mawson has distinguished itself as a European focused uranium exploration company. As the European Union moves to reduce its reliance on carbon-based energy sources and continues to debate energy security, Mawson is well positioned to fuel the future.

The Company is exploring an extensive uranium portfolio in two European countries, including four 100% owned advanced projects.

The Company is exploring an extensive uranium portfolio of projects in Finland and Sweden, including three 100% owned advanced projects. Mawson's focus is firmly on expanding the resource base of economically robust uranium deposits in Sweden (Hotagen, Kappel) and Finland (Nuottijärvi). With a strong cash position and a multi-jurisdiction European portfolio, Mawson is ideally positioned to enhance its status as a leader in the uranium exploration industry.

### Corporate Update

During the period the Company announced that it had commenced proceedings to withdraw from its mineral exploration licences in Spain and at the same time expand its uranium exploration efforts through Scandinavia.

After a recent Board review of the Company's uranium assets it was determined Scandinavia holds the greatest potential for further significant discoveries. Mawson will increase its exposure in Finland and Sweden via undertaking a dedicated project generation review, drilling around known uranium resources and potential further acquisitions. In Spain the Company no longer believes it is possible to consolidate its holdings in a timely manner and is therefore withdrawing its interest in its exploration leases.

### Project Update

#### *Update on Sweden's Recent Nuclear Program Announcements*

The political and social mood in regard to the nuclear cycle has shifted significantly over the last few years in Sweden.

During February 2009, Sweden's centre-right government decided to end a 29-year-old moratorium on the construction of new nuclear power plants. This was followed in June 2009 by the decision to construct the world's first permanent nuclear waste storage sites that can house highly radioactive waste for more than 100,000 years at Forsmark, 200km north of Stockholm. And in September 2009 the Swedish Prime Minister Fredrik Reinfeldt publicly stated he is not against uranium mining in Sweden - a deviation from his conservative moderate party's earlier negative standpoint and the views of some anti-nuclear power critics in his own center-right government.

In 1980, a referendum in Sweden voted to phase out nuclear power, however, only two of the country's 12 nuclear plants were closed during intervening years and Sweden's nuclear reactors currently provide around 50% of the country's electricity. The Swedish government now feels that sustained investment in nuclear power will be a necessary part of its strategy to meet its 2020 goal of cutting carbon emissions by 40% from 1990 levels.

In addition, a recent poll commissioned by the Stockholm daily newspaper the Dagens Nyheter, indicated that 62% of 1,016 people polled supported building new reactors, while 28% said they opposed building any new reactors. Ten percent remained undecided.

The Company welcomes the recent nuclear policy statement by the Swedish government. Mawson is a leading uranium explorer in Sweden, with a demonstrable history of exploring sustainably with full community consultation. The Company is committed to define further uranium resources within Scandinavia.

Sweden is currently one of the world's largest uranium consumers on a per capita basis and has recently made announcements to expand its nuclear program after many years holding a phase-out policy. Finland is currently expanding its nuclear program by building the country's fifth and the world's largest nuclear power reactor. At present 48% and 26% of the total electricity supply in Sweden and Finland respectively comes from nuclear energy. Finland and Sweden import all of the uranium required for their nuclear reactors.

### *Operational and Corporate Plans*

Mawson's operational and corporate plans will conserve the Company's strong cash position while expanding its current uranium resource base through active exploration programs, new acquisitions and taking advantage of potential corporate growth opportunities.

The planned exploration and corporate overhead budget for calendar 2010 is forecast to be \$2.9 million. Exploration work programs will focus on the Company's most advanced projects in the Hotagen district in Sweden and Nuottijärvi in Finland.

With over \$10 million in cash and money market instruments currently held with large Canadian financial institutions, zero debt, a uranium resource base proximal to the world's largest consumers of nuclear power and a strong technical team, Mawson is extremely well positioned for growth over the coming years. Mawson will continue to seek and identify high quality growth projects and will take a highly-disciplined and value-focused approach before making any future investment.

### *Sweden*

Mawson's exploration focus in Sweden continues to be the Hotagen project, which includes the Company's Kläppibäcken project with a NI43-101-compliant indicated resource of 3.3 million pounds at 0.08% uranium oxide ("U<sub>3</sub>O<sub>8</sub>"). Recent results include discovery of sixty-six uranium mineralized outcrops within Mawson's exploration claims over an area of 8 kilometres by 7 kilometres surrounding the Kläppibäcken project. Sampling results from these outcrops included forty assays above 0.05% U<sub>3</sub>O<sub>8</sub>, which ranged from 0.05% U<sub>3</sub>O<sub>8</sub> to 8.04% U<sub>3</sub>O<sub>8</sub> and averaged 0.79% U<sub>3</sub>O<sub>8</sub>. The discovery of these uranium mineralized outcrops is significant considering that outcropping rock accounts for less than 10% of the surface area in the Hotagen district, with the remainder of the area blanketed under a thin 1-2 metre soil veneer.

In April 2009, the Company completed a 165 hole, deep till drill program surrounding the Kläppibäcken deposit. This drill program aided in development of drill targets surrounding the Kläppibäcken project.

As at November 30, 2009, the Company has staked 27 claims with potential for uranium totalling 25,624 hectares and six non-uranium exploration permits (nickel and vanadium) totalling 2,281 hectares.

### *Hotagen Mineralized District*

The Hotagen district uranium deposits are located in the north eastern portion of a geological province known as the Olden window. The Olden Window is so called as it is an isolated area of Proterozoic basement exposed as a window within younger late Precambrian - early Paleozoic sequences that form the Caledonide mountains that separate Sweden and Norway. Uranium mineralization occurs in the form of vein and breccias developed in a uranium rich granite host

rock controlled principally by subvertical N-S to NNW - SSW brittle or brittle-ductile structures, which themselves are associated with or intruded by intermediate “diabase” dykes.

The Hotagen district is secured by Mawson’s 8,360 hectares of exploration claims and includes the Company’s Kläppibäcken project where a NI43-101 compliant indicated resource of 3.3 million pounds at 0.08% uranium oxide (“U<sub>3</sub>O<sub>8</sub>”) is drill defined.

Key discoveries include:

- Långtjärn: area covers 1400 metres by 600 metres where 6 assays above 0.05% U<sub>3</sub>O<sub>8</sub>, ranged from 0.06% U<sub>3</sub>O<sub>8</sub> to 8.04% U<sub>3</sub>O<sub>8</sub> and averaged 1.48% U<sub>3</sub>O<sub>8</sub>
- Urban Hill: area covers 70 metres by 8 metres where 10 assays above 0.05% U<sub>3</sub>O<sub>8</sub>, ranged from 0.09% U<sub>3</sub>O<sub>8</sub> to 2.90% U<sub>3</sub>O<sub>8</sub> and averaged 1.47% U<sub>3</sub>O<sub>8</sub>
- Långvattnet: area 70 metres by 10 metres where 8 assays above 0.05% eU<sub>3</sub>O<sub>8</sub>, ranged from 0.06% U<sub>3</sub>O<sub>8</sub> to 0.15% U<sub>3</sub>O<sub>8</sub> and averaged 0.10% U<sub>3</sub>O<sub>8</sub>
- Spjuttjärn North: area covers 10 metres by 8 metres where 2 assays above 0.05% U<sub>3</sub>O<sub>8</sub>, ranged from 0.29% U<sub>3</sub>O<sub>8</sub> to 1.30% U<sub>3</sub>O<sub>8</sub> and averaged 0.79% U<sub>3</sub>O<sub>8</sub>

### *Kläppibäcken*

During April 2009 the Company completed a 165 near-surface drill hole program that tested a 1,400 metre trend in the vicinity of the Kläppibäcken uranium project. The drill program tested bedrock for shallow strike extensions to the Kläppibäcken uranium deposit beneath thin soil cover on a 100 metre by 50 metre grid and will aid in identifying diamond drill targets to be tested in winter 2009/10. See “Future Developments”.

An updated resource was calculated for the Kläppibäcken uranium project in July 2008. The resource, using a 0.025% uranium lower cut-off grade, is:

<b>CATEGORY</b>	<b>Million Tonnes</b>	<b>Grade % U<sub>3</sub>O<sub>8</sub></b>	<b>Contained U<sub>3</sub>O<sub>8</sub> (t)</b>	<b>Contained U<sub>3</sub>O<sub>8</sub> Million lbs</b>
Measured	0.09	0.064	56	0.12
Indicated	1.85	0.077	1,429	3.15
<b>TOTAL</b>	<b>1.94</b>	<b>0.077</b>	<b>1,485</b>	<b>3.27</b>

The resource at Kläppibäcken occurs as a single block of mineralization which to date extends from surface to a maximum depth of 200 metres, 150 metres in strike and up to 105 metres in thickness. The deposit remains open in all directions. Kläppibäcken is an intrusive-related uranium deposit, hosted by brecciated and cataclastic granite which is strongly enriched in fluorite or hematite.

Basic metallurgical testing undertaken on Kläppibäcken samples has shown the mineralization to be easily liberated with conventional processing. Testing of two samples carried out by the Luleå Technological University in Sweden in 1983 showed excellent grindability and leachability. Kläppibäcken samples were reduced in a rod mill within 15 minutes to 175 micron size. Recovery of 97% uranium with low oxygen consumption by acid leach was achieved which is considered very promising.

Mineralization remains open with strong potential for expansion and future work will be directed at defining the immediate extensions to mineralization and testing near surface targets. Kläppibäcken forms part of Mawson’s Hotagen project, where 19 drill-tested or surface sampled uranium mineralized prospects have been discovered within a five kilometre radius of Kläppibäcken.

The resource was estimated within a geologically constrained mineralized envelope; with a lower cut off of 0.025% uranium applied to resource blocks populated using the inverse distance squared method within Maptex Vulcan software. The model utilized a total of 56 holes for 8,943 metres which included 32 drill holes completed by the Swedish Geological Survey between 1983 and 1984 and 22 drill holes completed by Mawson during 2007 and 2008. Resource category classifications were defined using criteria determined during the validation of the grade estimates, with detailed consideration of the NI 43-101 and CIM categorization guidelines as shown below:

- Measured resource: blocks less than 12.5 metres from the weighted average Cartesian distance from a drill hole composite;
- Indicated resources: blocks less than 40 metres from the weighted average Cartesian distance from a drill hole composite.

Uranium from Mawson's drill holes was analyzed by the ME-XRF05 technique by ALS Chemex Ltd's laboratories in Piteå, Sweden and Vancouver, Canada, where duplicates, repeats, blanks and known standards were inserted according to standard industry practice. The resource calculation was undertaken by the consulting firm ReedLeyton Consulting Ltd of Edinburgh.

### *Urban Hill*

During the May 2009 quarter, the Company discovered a new uranium prospect within the Company's 8,360 hectare Hotagen project of Northern Sweden. The Urban Hill prospect is located 750 metres north of Mawson's Kläppibäcken prospect. Urban Hill is a grassroots discovery made by company geologists with uranium mineralization outcropping over a 150 metre long trend. The prospect remains open where the mineralized outcrops trend under glacial soil cover. Uranium occurs as pitchblende in mafic fissures, veins and fractures in a brecciated to cataclastic granite and is similar in style to the Kläppibäcken prospect.

From field mapping and spectrometer surveying, discoveries to date at the project include:

- Four high grade mineralized outcrops in a 150 metre by 20 metre area. Nine spectrometer assays from these outcrops ranged from 0.04% eU<sub>3</sub>O<sub>8</sub> to 2.90% eU<sub>3</sub>O<sub>8</sub> and averaged 1.13% eU<sub>3</sub>O<sub>8</sub>. Mineralization in each outcrop is hosted by fractures exposed up to 20 metres in length. The fractures, each up to 10 centimetres wide, strike 180 degrees north and are closely spaced over combined widths of up to 12 metres.
- One hundred and twenty metres north of the mineralized outcrops a soil covered area with no outcrop measures 2 -10 times the background radioactivity in an area of 10 metres by 3 metres, suggesting the presence of mineralized outcrop or boulders below the glacial soil cover.

Mawson is encouraged by this recent discovery of high grade uranium mineralization at surface and only 750 metres from the Kläppibäcken resource area. With similar geological characteristics to Kläppibäcken and field assays that average over 1% eU<sub>3</sub>O<sub>8</sub>, mapping, stripping, channel sampling and drilling is warranted. The Company plans to drill test the outcrops in the upcoming 2009/2010 drill program. See "Future Developments".

### *Långtjärn*

The Långtjärn prospect is located 2 kilometres north of Mawson's Kläppibäcken prospect.

Uranium mineralization at Långtjärn occurs as pitchblende within fractures and cataclastic alteration zones that are hosted by granite or an adjacent mafic dyke. The prospective area at Långtjärn is defined by the extent of the mafic dyke, which corresponds to a linear north-south trending magnetic anomaly that strikes over a distance of 2.4 kilometres. During the summer field season at Långtjärn and reported in October 2008, Mawson has:

- Conducted a ground scintillometer survey over an area of 3.3 kilometres by 2 kilometres which identified the size and strength of uranium anomalism associated with the magnetic trend.
- Discovered six uranium mineralized outcrops areas in an area of 1400 metres by 600 metres where less than 5% of bedrock outcrops through thin soil cover. Spectrometer assays from rocks at these localities above 0.05% e U<sub>3</sub>O<sub>8</sub> ranged from 0.06% eU<sub>3</sub>O<sub>8</sub> to 8.04% e U<sub>3</sub>O<sub>8</sub> and averaged 1.48% eU<sub>3</sub>O<sub>8</sub>.
- At one of the six outcrop areas, 11 channel samples were taken with a rock saw across an area of 16 metres by 8 metres. Samples assayed above 0.08% U<sub>3</sub>O<sub>8</sub> ranged from 0.08% U<sub>3</sub>O<sub>8</sub> to 1.85% U<sub>3</sub>O<sub>8</sub> and averaged 0.75% U<sub>3</sub>O<sub>8</sub>. An application has been submitted to the relevant Swedish authorities to drill test the strongly mineralized outcrop and its interpreted extensions beneath the glacial soil cover.
- Found historic records from the Swedish Geological Survey (SGU) which describes a uranium mineralized boulder field covering 15 metres by 10 metres where 4 boulders assayed from 6% U<sub>3</sub>O<sub>8</sub> to 31% U<sub>3</sub>O<sub>8</sub>. In

1984, the SGU drilled 32 shallow holes into the lowest glacial soil horizon (“deep till”) over this boulder field. Assays from these samples averaged 47ppm U<sub>3</sub>O<sub>8</sub>. The uranium anomalous area remains open in all directions and has never been diamond drill tested.

Långtjärn is one of 29 project areas Mawson has identified within an area of 8 kilometres by 7 kilometres in the Hotagen district, all in close proximity to our Kläppibäcken Indicated Resource. The high uranium grades discovered in outcrop and boulders at Långtjärn with the associated magnetic anomaly provide a strong drill-ready target. Långtjärn is one of many projects that remains for follow up in the Hotagen mining district.

### *Kapell*

During the May 2009 quarter the Company staked three high grade and near surface sandstone-hosted uranium prospects in Central Sweden. The prospects, together known as the Kapell project, are located within fifteen kilometres of each other in the Berg community of the Jämtland province and are held by three 100% owned permit applications which total 4,374 hectares.

The projects were discovered and explored by the Swedish Geological Survey (“SGU”) in the 1970’s during the country’s energy self sufficiency program and were more recently held by a third party company. Historic exploration highlights include:

Aviken	2.65 m (at) 1.54% eU <sub>3</sub> O <sub>8</sub> from 21.8 m (drill hole AVI75402) 2.65 m (at) 1.05% eU <sub>3</sub> O <sub>8</sub> from 3.2 m (drill hole AVI75401)
Sölvbäckjärn	1.55 m (at) 2.38% eU <sub>3</sub> O <sub>8</sub> from 8.35m (drill hole SOL75008)
Tossassjon	18 mineralized outcrops over 1.6 km strike length, 392 uranium mineralized boulders, never drilled

Mineralization at the three localities is developed within a sequence of conglomerates and heavy mineral bearing sandstone that form the lowermost stratigraphic units of the Caledonide age “Särve Nappe” suite. A regional scale diabase intrusion (the Ottfjäll diabase) overlies the mineralization. The Särve Nappe rests unconformably upon the allochthonous “Offerdal Nappe”, which consists of strongly deformed sedimentary rocks. Uranium occurs in the form of pitchblende. eU<sub>3</sub>O<sub>8</sub> values provided are equivalent uranium oxide values as determined by downhole radiometric logging equipment. Radiometric logging was carried out by the Swedish Geological Survey geophysical staff during 1975, using calibrated probes and protocols of the day. Core intervals will be assayed by Mawson to confirm historic eU<sub>3</sub>O<sub>8</sub> results.

#### i) Åviken

The Åviken prospect was discovered in 1973 with the discovery of 401 mineralized boulders in three distinct boulder trains over a 1200 metre by 600 metre area. Mineralization is hosted by a porous sandstone bound by limestone and calcareous shale. Historic work includes detailed boulder tracing, resistivity and IP-surveys.

The source of the boulder trains was targeted by 17 percussion holes and 36 diamond drill holes during 1975 and 1976. Eleven diamond drill holes intersected significant mineralization, with better results including 2.65 metres for 1.54% ppm eU<sub>3</sub>O<sub>8</sub> from 21.8 m (drill hole AVI75401) and 2.65 metres for 1.05% ppm eU<sub>3</sub>O<sub>8</sub> from 3.2 m (drill hole AVI75402).

#### ii) Sölvbäckjärn

The Sölvbäckjärn prospect was discovered in 1973 where mineralization is again hosted by porous sandstone. The initial discovery consisted of high grade uranium and copper mineralized boulders. Work by the SGU outlined a boulder train of 57 boulders, which was followed up with radon, IP and resistivity surveys.

The radon survey delineated several anomalies which were tested by 216 percussion drill holes (average 22 metres deep) and 15 diamond drill holes. Drilling confirmed widespread, but erratic uranium mineralization controlled by faulting and folding with a best result of 1.55 metres for 2.38% eU<sub>3</sub>O<sub>8</sub> from 8.35m (drill hole SOL75008).

iii) Tossåssjön

The Tossåssjön prospect was discovered by the SGU in 1975 during regional geochemical surveys. Mineralization is hosted by a heavy mineral bearing sandstone and a 0.5 to 2 metre thick conglomerate. Detailed boulder tracing and geological mapping conducted by the SGU discovered 18 mineralized outcrops and 392 mineralized boulders with strong radioactivity. The uranium mineralized outcrops lie over a strike length of 1.8 kilometres whilst mineralized boulders extend over a greater distance. Geochemical assays from five outcrops ranged from 0.13% to 1.39% U<sub>3</sub>O<sub>8</sub> and averaged 0.48% U<sub>3</sub>O<sub>8</sub>. The mineralization in both outcrop and boulders is associated with significant Cu and Ag, with assays ranging from 9 ppm to >13,000 ppm Cu and from nil to >100g/t Ag. The Tossåssjön project is yet to be drill tested.

The Kapell project offers a new and attractive style of uranium mineralization for Mawson in Sweden and complements the Company's extensive uranium portfolio in Scandinavia. Sandstone hosted systems can form large, good grade and metallurgically amenable orebodies. At Kapell high grade mineralization over 1% U<sub>3</sub>O<sub>8</sub> has been discovered near surface at all three project areas, which lie within 15 kilometres of each other. Further geological mapping, scintillometer surveying and ground magnetics will be undertaken during this summer before drill testing. The prospects remain open in all directions and form high merit exploration targets.

*Tåsjo*

Uranium mineralization at Tåsjo is hosted in marine sediments and associated with phosphate concentrations. 83 holes have been drilled into Mawson's project over an area of approximately 10 kilometres by 20 kilometres. Uranium mineralization is associated with concretions of the apatite mineral carbonate-fluorapatite, which constitutes up to 20% of the rock. Mass balance calculations indicate that the uranium grade of the apatite is 0.16%, while the grade of the host Lycophoria Schist ranges between 0.03 - 0.07% U<sub>3</sub>O<sub>8</sub> and 0.11 - 0.24% rare earth metals. The combination of rare earth metals has been confirmed by check sampling.

A metallurgical review during the year suggested that uranium cannot be extracted economically using current technologies. Mawson has retained key license areas for strategic reasons and therefore there is no impairment in value to date.

**Joint Ventures**

Mawson has granted a third party, ASX-listed Hodges Resources Ltd ("Hodges"), the right to earn up to 51% in the project by funding work program expenditures of US \$500,000 over four years on four of Mawson's earlier stage uranium projects (including the Norr Döttern and Harrejokk projects in the Arvidsjaur-Areplog area) in Sweden and up to 75% by fully funding any project to successful bankable feasibility. Other projects joint ventured to Hodges are Sjaule in Hotagen Åsnebogruvan in Southern Sweden. Hodges has been undertaking work programs including drilling. The area is kept in good standing by Hodges.

***Finland***

The Company holds four claim applications and two granted claims for 477 hectares in total in Finland. No significant work took place in Finland during the period.

*Saramäki Uranium Project*

The Company staked three claims applications within its initial claim reservations at the Saramäki prospect in October 2007. The Saramäki 1-3 uranium claim applications in the Nilsjä district of eastern central Finland. These claim applications cover 200 hectares.

Saramäki was discovered by private prospectors in 1963, when radioactive outcrops and boulders were located within a five kilometre long northeast-southwest trending magnetic anomaly. Follow up work by Outokumpu Oy included various geophysical and geochemical methods, including 1,425 rock chip samples which averaged 0.009% U<sub>3</sub>O<sub>8</sub> from 131 pits within a 4000 metre x 200 metre area.

The radioactive outcrops were drill tested with eight diamond drill holes by both the Outokumpu Oy and the Geological Survey of Finland between 1965 and 1977. The uranium mineralized horizon was intersected in each drill hole.

Mawson has access to all publicly available exploration data and drill core from the Geological Survey of Finland and Outokumpu. Historic drill intersections included:

M19/52/3333/77/R304:	21.9m @ 0.04% U <sub>3</sub> O <sub>8</sub> from 82m, including 3.9m @ 0.05% U <sub>3</sub> O <sub>8</sub> and 4.4m @ 0.08% U <sub>3</sub> O <sub>8</sub> ;
Mv/Te-1:	5.6m @ 0.07% U <sub>3</sub> O <sub>8</sub> from 62m, including 2.8m @ 0.10% U <sub>3</sub> O <sub>8</sub>

Uranium at Saramäki is hosted within a breccia along a 4,000 metre long and up to 200 metre wide apatite bearing gneiss and is similar in style to uranium mineralization at Mawson's 100%-owned claim application Nuottijärvi 1, located 150 kilometres away. During summer 2007 field programs, Mawson conducted ground scintillometer traverses which confirmed the scale and size of the uranium mineralized magnetic trend.

#### *Nuottijärvi Uranium Project*

In February 2007, the Company staked the Nuottijärvi uranium project in central Finland, one of that nation's largest known uranium deposits.

The Company's 100%-owned claim "Nuottijärvi 1" is 96 hectares in size. The Finnish authorities confirmed the granting of the claim to Mawson in September 2009, one of that nation's largest known uranium deposits.

Nuottijärvi was identified in 1959 from the discovery of a radioactive outcrop, and was followed up with various geochemical and geophysical methodologies, with drill testing by Outokumpu Oy between 1965 and 1969. The Company gained has access to all previous publicly available exploration data and drill core from the Geological Survey of Finland and Outokumpu Oy. Better drill intersections included:

PLT-NU-017:	40.7m for 0.08% U <sub>3</sub> O <sub>8</sub> from 59.9m;
PLT-NU-011:	33.4m for 0.06% U <sub>3</sub> O <sub>8</sub> from 17.8m, including 3.8m @ 0.13% U <sub>3</sub> O <sub>8</sub> ;
PLT-NJ-033:	40.3m for 0.05% U <sub>3</sub> O <sub>8</sub> from 23.0m;
PLT-NU-004:	179.8m for 0.04% U <sub>3</sub> O <sub>8</sub> from 18.1m

Uranium at Nuottijärvi is present as uraninite associated with fluorapatite, within a 40-metre wide mineralized breccia, hosted by a carbonate-apatite horizon at the contact between quartzite and graphite-bearing phyllite.

In 1969, Outokumpu Oy reported a historical resource at Nuottijärvi of 2.9 million tonnes at 0.044% U<sub>3</sub>O<sub>8</sub> (2.9 million pounds of U<sub>3</sub>O<sub>8</sub>) based on 43 diamond drill holes for 6,679 metres, drilled on a 50-metre-by-50-metre drill pattern. The mineralized body is approximately 40 metres in thickness, extends from surface to a vertical depth of 80 metres, trends over a strike length of more than 400 metres, and remains open along strike and at depth.

The historical resource estimates quoted above are based on a report titled "Paltamo Nuoti Resource Calculation" by Aarto Huhma in 1969 of Outokumpu Oy. The resource was calculated using a polygonal method and is roughly analogous to CIM definitions "Indicated" and "Inferred". Data is historical in nature and was compiled prior to the implementation of NI 43-101 reporting standards. Mawson has not completed sufficient exploration to verify the estimates. Mawson is not treating them as National Instrument defined resources or reserves verified by a Qualified Person, and the historical estimate should not be relied upon. The Company does not have, and is not aware of, any more recent resource estimates that conform to the standards set out in National Instrument 43-101.

The Nuottijärvi uranium project was a strategic acquisition for the Company and reflects the ongoing efforts of management to augment the Company's portfolio of advanced uranium projects in Scandinavia. The first work to be completed at Nuottijärvi is to upgrade the historical resource estimates to current NI 43-101 report and resource standards. In this regard the Company retained Mr. John Nebocat of Pacific Geological Services, a qualified and independent geologist. Mr. Nebocat has completed a site visit to Nuottijärvi during the period and is now

compiling the historic data for the preparation of a NI43-101 technical report. The resource calculation will be performed by Mr. Geoffrey Reed, also a qualified and independent geologist of Reed Leyton Consultants.

### *Mustamaa Uranium Project*

The Mustamaa uranium claim application is located in the Tervola district of Northern Finland. The Mustamaa 1 claim application is approximately 100 hectares in size.

Uranium mineralization was first discovered at Mustamaa in 1978 by Rautaruukki Oy, during the ground follow up of a regional airborne radiometric survey. Rautaruukki Oy completed detailed outcrop and boulder mapping, applied various geophysical methodologies and assayed 26 radiometric boulders ranging from 0.01% uranium oxide (“U<sub>3</sub>O<sub>8</sub>”) to 0.26% U<sub>3</sub>O<sub>8</sub> and 0.7% phosphate (“P<sub>2</sub>O<sub>5</sub>”) and 22.6% P<sub>2</sub>O<sub>5</sub> and averaging 0.065 % U<sub>3</sub>O<sub>8</sub> and 7.0% P<sub>2</sub>O<sub>5</sub>.

In 1979, Rautaruukki Oy identified a uranium mineralized horizon, which was drill tested with 13 diamond drill holes. Holes were spaced along a 500 metre strike and intersected a uranium horizon which remains open both along strike and at depth. Mawson has access to all previous publically available exploration data and drill core from the Geological Survey of Finland and Outokumpu Oy. Better drill intersections included:

- R13: 55.4m @ 0.03% U<sub>3</sub>O<sub>8</sub> from 104m, including 4.1m @ 0.08% U<sub>3</sub>O<sub>8</sub> from 120m
- R10: 18.1m @ 0.03% U<sub>3</sub>O<sub>8</sub> from 65m, including 8.4m @ 0.04% U<sub>3</sub>O<sub>8</sub> from 73m

Uranium at Mustamaa is locally hosted by a breccia unit. The breccia is contained within greater than 500 metre long and up to 40 metre wide apatite bearing dolomite horizon. Mineralization is developed both within dolomite, and intercalated chlorite schist. The style of uranium mineralization is similar to Mawson’s 100% owned Nuottijärvi 1 claim application, located 260 kilometres to the south east.

### *Other Uranium Projects*

The Company also staked the Paukkanjanvaara 1 claim in February 2007, which was granted in September 2009.

### *Future Developments*

During the August quarter the Company made a submittal of work plans to the Swedish authorities requesting permission to drill four uranium prospects at the Hotagen uranium project in Sweden. Four hundred shallow diamond drill holes are proposed to test bedrock for strike extensions of uranium mineralization at known prospects beneath thin soil cover. The drill program, which was planned to commence in early December 2009 has been delayed due to appeals by the community against the county administration decision to allow drilling and the abnormally cold 2010 European winter. Drilling is expected to commence in February 2010 when appeals have been resolved and weather conditions improve.

The four project areas to be drill tested are located within 4 kilometres of each other and are described below:

- **Kläppibäcken North:** Extending a previous drill grid 1100 metres north of Mawson’s NI 43-101 compliant indicated resource of 3.3Mlb @ 0.08% U<sub>3</sub>O<sub>8</sub>. The new drilling will test a magnetic anomaly which is interpreted to be the source of a uranium mineralized diabase boulder train, consisting of 40 boulders over an area of 100 metres by 25 metres. Five boulders were assayed by the Swedish Geological Survey (“SGU”) in 1974 and ranged from 0.10% U<sub>3</sub>O<sub>8</sub> and 0.74% U<sub>3</sub>O<sub>8</sub> and averaged 0.52% U<sub>3</sub>O<sub>8</sub>.
- **Nöjdfjället North:** Targeting the immediate strike extensions 300 metres from a NI-43-101 indicated resource held by a third party (0.85Mlb @ 0.08% U<sub>3</sub>O<sub>8</sub>).
- **Ravinen:** Targeting the source of a 150m long +100 boulder train discovered by the SGU in 1974. Historic assays ranged between 0.003% U<sub>3</sub>O<sub>8</sub> and 1.35% U<sub>3</sub>O<sub>8</sub> and averaged 0.47% U<sub>3</sub>O<sub>8</sub>. Mineralization is generally hosted in mylonitic granite, similar to resource-status projects in the area. Boulders appear to be very near to their original bedrock source.



- **Urban Hill:** Drill testing a new high grade discovery recently made by Mawson. This program will test the strike extensions of four high grade mineralized outcrops in a 150 metre by 20 metre area where assays ranged from 0.04% eU<sub>3</sub>O<sub>8</sub> to 2.90% eU<sub>3</sub>O<sub>8</sub> and averaged 1.13% eU<sub>3</sub>O<sub>8</sub>, and a soil covered area which measures 2 -10 times the background radioactivity in an area of 10 metres by 3 metres.

## Investments

The Company holds investments in three public companies:

- Hodges Resources Limited (ASX: “HDG”) 1,000,000 common shares
- Hansa Resources Limited (TSXV: “HRL”) 7,000,000 common shares
- Tumi Resources Limited (TSXV: “TM”) 300,000 common shares

The Company also received warrants to purchase an additional 1,000,000 common shares of Hansa and 300,000 common shares of Tumi.

As at November 30, 2009, the quoted market value of the common shares of the investments was \$1,080,654 and the fair value of the warrants, as estimated using the Black-Scholes pricing model, was \$124,000.

## Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

The qualified person for Mawson’s projects, Mark Saxon, the Company’s VP-Exploration, Director and a member of the Australasian Institute of Mining and Metallurgy, has reviewed and verified the contents of this document.

## Selected Financial Data

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

	Fiscal 2010		Fiscal 2009				Fiscal 2008	
	Nov 30 2009 \$	Aug 31 2009 \$	May 31 2009 \$	Feb 28 2009 \$	Nov 30 2008 \$	Aug 31 2008 \$	May 31 2008 \$	Feb 29 2008 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(498,521)	(195,195)	(462,814)	(260,422)	(373,650)	(275,477)	(272,478)	(437,061)
Other items	(699,709)	(643,640)	185,396	(146,916)	70,957	71,396	(946,653)	146,664
Net income (loss)	(1,198,230)	(838,835)	(277,418)	(407,338)	(302,693)	(204,081)	(1,219,131)	(290,397)
Comprehensive income gain (loss)	506,464	(582,199)	57,796	90,532	(1,204,705)	(504,081)	(1,219,131)	(290,397)
Basic and diluted loss per share	(0.02)	(0.04)	(0.01)	(0.01)	(0.03)	(0.01)	(0.03)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	10,613,449	11,127,759	11,426,469	11,090,811	11,371,728	11,996,003	13,890,395	13,979,845
Total assets	16,222,397	16,870,250	18,441,635	17,098,207	17,201,449	18,419,291	19,156,002	20,078,388
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

During the six months ended November 30, 2009 (the “2009 period”) the Company reported a net loss of \$2,037,065 (\$0.06 per share), an increase in loss of \$1,530,291 from the net loss of \$506,774 (\$0.05 per share) for the six months ended November 30, 2008 (the “2008 period”). The primary factor for the increase is attributed to the write-down of unproven mineral interests of \$1,343,837. The Company also recorded an unrealized loss on available-for-sale

investments of \$75,735 in the 2009 period, compared to an unrealized loss of \$1,202,012 in the 2008 period. The unrealized loss was recorded as a comprehensive item.

Total expenses increased slightly by \$44,589 from \$649,127 during the 2008 to \$693,716 during the 2009 period. Specific expenses of note during the 2009 period are as follows:

- incurred \$17,050 (2008 - \$23,080) for accounting and administration services charged by Chase Management Ltd. (“Chase”), a private corporation controlled by Mr. Nick DeMare, a director of the Company;
- incurred general exploration expenditures of \$293,653 (2008 - \$291,015) relating to ongoing costs of the Company’s exploration office in Sweden and general exploration and property due diligence in Sweden and Finland. Fluctuations in general exploration expenses is primarily affected by allocations to direct property costs;
- incurred \$50,539 for travel expenses (2008 - \$30,708), primarily for ongoing travel between Canada/Europe/Australia by Company personnel and contract geologists to oversee the Company’s property acquisitions and exploration programs;
- incurred legal fees of \$1,032 (2008 - \$18,552), primarily for corporate services. During the 2008 period the Company incurred legal fees for preparing and reviewing property agreements;
- the Company has retained Mining Interactive Corp. (“Mining Interactive”) to provide market awareness and investor relation activities. During the 2009 period, the Company paid Mining Interactive \$27,000 (2008 - \$31,500);
- paid \$75,350 (2008 - \$51,175) for professional services. The Company reimbursed \$2,700 (2008 - \$6,000) to Tumi Resources Limited, a public company with common directors, for shared administration and other costs and \$45,000 for professional services to directors of the Company;
- incurred \$140,000 (2008 - \$132,000) for management and professional fees charged through Sierra Peru Pty (“Sierra”) for remuneration of Mr. Michael Hudson, the Company’s President and CEO, and Mr. Mark Saxon, the Company’s Vice-President of Exploration. The Company capitalized \$21,499 (2008 - \$68,116) to unproven mineral interests and expensed \$118,501 (2008 - \$63,884) as management fees;
- the Company recorded \$3,851 (2008 - \$6,463) stock-based compensation expense relating to the vesting of previously granted stock options;

As the Company is in the exploration stage of investigating and evaluating its unproven mineral interests, it has no revenue. Interest income is generated from cash on deposit with the Bank of Montreal and money market instruments issued by major financial institutions. During the 2009 period the Company reported interest and other income of \$13,059 as compared to \$172,680 during the 2008 period. The decrease in interest and other income is attributed to slightly lower levels of cash held and a significant decrease in interest rates obtained during the 2009 period. During the 2008 period, interest rates averaged approximately 3.3% per annum compared to a yield of approximately 0.25% per annum during the 2009 period.

The Company’s holdings in the common shares of a number of publicly held companies have been designated as available-for-sale for accounting purposes and are measured at fair value resulting in a comprehensive loss of \$75,735 during the 2009 period. The Company’s holdings in the warrants have been designated as held-for-trading for accounting purposes and are measured at fair value resulting in an unrealized loss of \$32,000 during the 2009 period. See also “Investments” in this MD&A.

During the 2009 period, the Company incurred a total of \$170,585 (2008 - \$663,100) on acquisition costs and exploration activities on its unproven mineral interests. In total, the Company spent \$170,585 (2008 - \$629,280) on its Uranium Projects and \$nil (2008 - \$6,560) on its other projects. During the 2009 period the Company surrendered its mineral exploration permits in Spain and accordingly wrote-off \$1,343,837 in exploration expenditures. Details of the exploration activities conducted during the 2009 period are described in “Exploration Projects” in this MD&A.

### **Financial Condition / Capital Resources**

As at November 30, 2009, the Company had working capital of \$10,613,449. The Company believes that it currently has sufficient financial resources to conduct anticipated exploration programs and meet anticipated corporate administration costs for the upcoming twelve month period. However, exploration activities may change due to ongoing results and recommendations, or the Company may acquire additional properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing. The Company has relied solely on equity financing to raise the requisite financial resources.

While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Proposed Transactions**

The Company has no proposed transactions.

### **Critical Accounting Estimates**

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the May 31, 2009 audited consolidated financial statements.

### **Changes in Accounting Policies**

#### ***Adoption of New Accounting Standards***

##### *Goodwill and Intangible Assets*

The Accounting Standards Board ("AcSB") issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

The Company does not anticipate the above new accounting standards to have a material impact on the Company's financial position and results of operations under current operating conditions but could have an impact on the future accounting treatment of expenditures on mineral property development once mineral reserves have been proved or an operating permit received and financing for development obtained.

#### ***Future Accounting Policies***

##### *Business Combinations, Consolidated Financial Statements and Non-Controlling Interests*

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

##### *International Financial Reporting Standards*

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for

publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

### **Transactions with Related Parties**

- (a) During the six months ended November 30, 2009, the Company:
- i) incurred \$66,950 (2008 - \$73,480) for accounting, administration, professional fees and rent provided by certain directors of the Company or private corporations owned by the directors;
  - ii) incurred \$140,000 (2008 - \$132,000) for management fees provided by a private corporation owned by officers of the Company, of which \$21,499 (2008 - \$68,116) was capitalized to unproven mineral interests and \$118,501 (2008 - \$63,884) charged to management fees. The management agreement provides that in the event services are terminated without cause or upon a change of control of the Company, a termination payment of two years of compensation, at \$22,000 per month, is payable. If the termination had occurred on November 30, 2009, the amount payable under the agreement would be \$528,000; and
  - iii) incurred \$3,700 (2008 - \$6,000) for shared administration and other costs with Tumi Resources Limited ("Tumi"), a public company with common directors and officer.

As at November 30, 2009, \$16,250 (2008 - \$20,300) was included in accounts payable and accrued liabilities.

- (b) During fiscal 2009 the Company billed \$154,455 for shared office personnel to public companies with common directors. As at November 30, 2009, \$35,000 was included in amounts receivable for an amount due from a related party.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### **Risks and Uncertainties**

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

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

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

### **Investor Relations Activities**

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. The Company updates its website ( [www.mawsonresources.com](http://www.mawsonresources.com) ) on a continuous basis. Effective November 1, 2004, the Company retained Mining Interactive to provide market awareness and investor relations activities. During the six months ended November 30, 2009 the Company paid Mining Interactive a total of \$27,000 (2008 - \$31,500). The arrangement may be cancelled by either party on 15 days notice.

## **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares without par value. As at January 13, 2010, there were 38,000,555 issued and outstanding common shares. In addition, there were 2,470,000 stock options outstanding, at exercise prices ranging from \$0.22 to \$2.10 per share and 750,000 warrants outstanding at an exercise price of \$0.75 per share.

## **Disclosure Controls and Procedures**

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

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. In conducting the evaluation it has become apparent that management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Management intends to formalize certain of its procedures. Due to the small staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures. Lapses in the disclosure controls and procedures could occur and/or mistakes could happen. Should such occur, the Company will take whatever steps necessary to minimize the consequences thereof.

## **Internal Controls and Procedures over Financial Reporting**

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

In the course of evaluating internal controls over financial reporting as at November 30, 2009, management has identified the following reportable deficiencies:

- (a) there is limited segregation of duties which could result in a material misstatement in the Company's financial statements. Given the Company's limited staff level, certain duties within the accounting and finance department cannot be properly segregated. However, none of these segregation of duty deficiencies resulted in material misstatement to the financial statements as the Company relies on certain compensating controls, including periodic substantive review of the financial statements by the Chief Executive Officer, Audit Committee and Board of Directors.
- (b) when required, the Company records complex and non-routine transactions. These are sometimes extremely technical in nature and require an in-depth understanding of GAAP. The Company's accounting staff have only a fair and reasonable knowledge of the rules related to GAAP and the transactions may not be recorded correctly, potentially resulting in material misstatements of the financial statements of the Company.

To address this risk, the Company consults with its third party advisors as needed in connection with the recording and reporting of complex and non-routine transactions.

It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met. The control framework the officers used to design the Company's internal control over financial reporting is the *Internal Control - Integrated Framework* ("COSO Framework") published by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission.

The Company is required to disclose herein any change in the Company's internal control over financial reporting that occurred during the period beginning on September 1, 2009 and ending on November 30, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. No material changes in the Company's internal control over financial reporting were identified during such period that has materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.