MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
FEBRUARY 28, 2010

(Unaudited - Prepared by Management)

MANAGEMENT'S COMMENTS ON UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of Mawson Resources Limited for the nine months ended February 28, 2010, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - Prepared by Management)

	February 28, 2010 $	May 31, 2009 $
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	10,153,592	11,532,301
Amounts receivable	77,775	121,460
Prepaid expenses	8,117	18,692
	10,239,484	11,672,453
INVESTMENTS (Note 3)	648,168	1,312,389
CAPITAL ASSETS, net of accumulated depreciation $166,955 (May 31, 2009 - $129,873)	159,618	191,497
UNPROVEN MINERAL INTERESTS (Note 4)	4,224,968	5,265,296
	15,272,238	18,441,635
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	143,839	245,984
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL (Note 5)	23,390,751	23,390,751
CONTRIBUTED SURPLUS (Note 7)	3,556,868	3,550,917
DEFICIT	(10,890,071)	(8,377,089)
ACCUMULATED OTHER COMPREHENSIVE LOSS	(929,149)	(368,928)
	15,128,399	18,195,651
	15,272,238	18,441,635

SUBSEQUENT EVENT (Note 13)

APPROVED BY THE DIRECTORS

"Michael Hudson", Director

"Nick DeMare", Director

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

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF
LOSS AND COMPREHENSIVE LOSS
(Unaudited - Prepared by Management)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2010 $	2009 $	2010 $	2009 $
EXPENSES				
Accounting and administrative	5,100	4,600	22,150	27,680
Audit	-	-	28,780	44,254
Corporate development	9,342	1,626	18,522	10,818
Depreciation	13,941	16,070	41,943	48,207
General exploration	209,791	98,383	503,444	389,398
Investor relations	10,500	16,500	37,500	48,000
Legal	8,903	717	9,935	19,269
Management fees	48,750	44,737	167,251	108,621
Office and sundry	4,353	8,528	16,986	19,752
Professional fees	34,524	24,000	109,874	75,175
Regulatory fees	3,435	5,306	14,747	18,770
Rent	8,025	3,838	17,957	14,196
Shareholder costs	1,098	1,700	4,917	10,602
Stock-based compensation (Note 6)	2,100	7,812	5,951	14,275
Transfer agent	2,606	2,257	5,688	5,476
Travel	34,381	24,348	84,920	55,056
	396,849	260,422	1,090,565	909,549
LOSS BEFORE OTHER ITEMS	(396,849)	(260,422)	(1,090,565)	(909,549)
OTHER ITEMS				
Interest and other income	5,956	55,380	19,015	228,060
Foreign exchange	(10,488)	(54,993)	8,941	(85,320)
Unrealized loss on held for trading investments	(72,000)	-	(104,000)	-
Write-off of unproven mineral interests (Note 4(a))	(720)	(147,303)	(1,344,557)	(147,303)
Loss on sale of capital asset	(1,816)	-	(1,816)	-
	(79,068)	(146,916)	(1,422,417)	(4,563)
NET LOSS FOR THE PERIOD	(475,917)	(407,338)	(2,512,982)	(914,112)
OTHER COMPREHENSIVE GAIN (LOSS)	(484,486)	90,532	(560,221)	(811,480)
COMPREHENSIVE LOSS FOR THE PERIOD	(960,403)	(316,806)	(3,073,203)	(1,725,592)
LOSS PER SHARE - BASIC AND DILUTED	$(0.02)	$(0.01)	$(0.08)	$(0.05)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	36,500,555	36,500,555	36,500,555	36,500,555

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

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE LOSS
(Unaudited - Prepared by Management)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2010 $	2009 $	2010 $	2009 $
DEFICIT - BEGINNING OF PERIOD	(10,414,154)	(7,692,333)	(8,377,089)	(7,185,559)
NET LOSS FOR THE PERIOD	(475,917)	(407,338)	(2,512,982)	(914,112)
DEFICIT - END OF PERIOD	(10,890,071)	(8,099,671)	(10,890,071)	(8,099,671)
ACCUMULATED OTHER COMPREHENSIVE LOSS - BEGINNING OF PERIOD	(444,663)	(902,012)	(368,928)	-
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(484,486)	90,532	(560,221)	(811,480)
ACCUMULATED OTHER COMPREHENSIVE LOSS - END OF PERIOD	(929,149)	(811,480)	(929,149)	(811,480)

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

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Prepared by Management)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2010 $	2009 $	2010 $	2009 $
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Net loss for the period	(475,917)	(407,338)	(2,512,982)	(914,112)
Adjustment for items not involving cash				
Depreciation	13,941	16,070	41,943	48,207
Stock-based compensation	2,100	7,812	5,951	14,275
Loss on sale of capital asset	1,816	-	1,816	-
Unrealized loss on held-for-trading investments	72,000	-	104,000	-
Write-off of unproven mineral interests	720	147,303	1,344,557	147,303
	(385,340)	(236,153)	(1,014,715)	(704,327)
Decrease (increase) in amounts receivable	(10,660)	52,849	43,685	328,793
(Increase) decrease in prepaid expense	12,295	(8,165)	10,575	14,950
Decrease in accounts payable and accrued liabilities	(92,318)	(89,692)	(102,145)	(282,034)
	(476,023)	(281,161)	(1,062,600)	(642,618)
INVESTING ACTIVITIES				
Expenditures on unproven mineral interests	(33,182)	(49,320)	(304,229)	(772,308)
Capital asset additions	-	-	(13,060)	(7,393)
Proceeds on disposition of unproven mineral interests held for sale	-	-	-	250,000
Proceeds on sale of capital asset	1,180	-	1,180	-
	(32,002)	(49,320)	(316,109)	(529,701)
DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	(508,025)	(330,481)	(1,378,709)	(1,172,319)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	10,661,617	11,479,898	11,532,301	12,321,736
CASH AND CASH EQUIVALENTS - END OF PERIOD	10,153,592	11,149,417	10,153,592	11,149,417
CASH AND CASH EQUIVALENTS IS COMPRISED OF:				
Cash			2,019,288	370,083
Short-term deposits			8,134,304	10,779,334
			10,153,592	11,149,417

SUPPLEMENTAL CASH FLOW INFORMATION (Note 12)

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

1. NATURE OF OPERATIONS

The Company is a resource company engaged in the acquisition and exploration of unproven mineral interests and is considered a development stage company as defined by Accounting Guideline No. 11 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. As at February 28, 2010, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests.

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral properties and related deferred costs 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. The amounts shown as unproven mineral interests represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the 2010 fiscal year. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual consolidated financial statements.

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 adoption of Section 3064 did not have an impact on the Company's financial position and results of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 lAS 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.

3. INVESTMENTS

	February 28, 2010				
	Number	**Cost $**	**Accumulated Compre-hensive Gain (Loss) on Available-for-Sale Investment $**	**Accumulated Gain on Held-for-Trading Investment $**	**Carrying Value $**
Available-for-sale investments					
Common shares					
Hodges Resources Ltd. ("Hodges")	1,000,000	50,317	53,351	-	103,668
Hansa Resources Limited ("Hansa")	7,000,000	1,430,000	(975,000)	-	455,000
Tumi Resources Limited ("Tumi")	300,000	45,000	(7,500)	-	37,500
Held-for-trading investments					
Warrants					
Hansa	1,000,000	-	-	40,000	40,000
Tumi	300,000	-	-	12,000	12,000
		1,525,317	(929,149)	52,000	648,168

	May 31, 2009				
	Number	**Cost $**	**Accumulated Compre-hensive Gain (Loss) on Available-for-Sale Investment $**	**Accumulated Gain on Held-for-Trading Investment $**	**Carrying Value $**
Available-for-sale investments					
Common shares					
Hodges	1,000,000	50,317	37,072	-	87,389
Hansa	7,000,000	1,430,000	(415,000)	-	1,015,000
Tumi	300,000	45,000	9,000	-	54,000
Held-for-trading investments					
Warrants					
Hansa	1,000,000	-	-	120,000	120,000
Tumi	300,000	-	-	36,000	36,000
		1,525,317	(368,928)	156,000	1,312,389

3. INVESTMENTS (continued)

(a) During fiscal 2009 the Company received 1,000,000 common shares of Hodges, at a fair value of $50,317, from the disposition of certain of its unproven mineral interests, as described in Note 4(a). As at February 28, 2010, the quoted market value of the Hodges shares was $103,668.

(b) The investment in Hansa comprises:

(i) 6,000,000 common shares received, at a fair value of $1,380,000, as partial consideration on the Company's disposition of certain of its unproven mineral interests; and

(ii) the purchase of 1,000,000 units of Hansa at a cost of $50,000. Each unit comprised one common share and one share purchase warrant. One warrant entitles the Company to purchase an additional common share at an exercise price of $0.10 expiring April 1, 2011. At the time of the purchase the Company had assigned $50,000 fair value to the common shares and $nil fair value to the warrants.

As at February 28, 2010, the quoted market value of the 7,000,000 common shares of Hansa was $455,000 and the fair value of the Hansa warrants was determined to be $40,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 194%; a risk-free interest rate of 0.75%; and an expected life of 13 months.

On April 24, 2009, the Company entered into an agreement whereby it granted an option to an individual unrelated to the Company to purchase up to 811,963 common shares of Hansa, at $0.10 per share on or before April 24, 2012. The optionee may purchase up to 405,982 common shares only if Hansa's common shares close on the TSX Venture Exchange at an average price of $0.25 over a ten day period and the remaining 405,981 common shares if the shares close at an average price of $0.35 over a ten day period.

(c) During fiscal 2009 the Company purchased 300,000 units of Tumi at a cost of $45,000. Each unit comprised one common share and one share purchase warrant. One warrant entitles the Company to purchase an additional common share at an exercise price of $0.20 expiring March 25, 2010, and, thereafter, at $0.25 expiring March 25, 2011. The Company may be forced to exercise the warrants if the common shares trade on a weighted average price of $0.40 per common share for a period of 20 consecutive trading days. At the time of purchase the Company assigned $45,000 fair value to the common shares and $nil fair value to the warrants.

As at February 28, 2010, the quoted market value of the common shares of Tumi was $37,500 and the fair value of the Tumi warrants was determined to be $12,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 110%; a risk-free interest rate of 0.75%; and an expected life of 13 months.

4. UNPROVEN MINERAL INTERESTS

	February 28, 2010			May 31, 2009		
	Acquisition Costs $	Exploration Expenditures $	Total $	Acquisition Costs $	Exploration Expenditures $	Total $
Uranium Properties (a)						
Sweden	249,881	3,744,589	3,994,470	171,835	3,559,694	3,731,529
Finland	14,845	74,339	89,184	11,429	67,499	78,928
Spain	-	-	-	92,245	1,221,280	1,313,525
Other Properties (b)						
Sweden	15,519	125,795	141,314	15,519	125,795	141,314
	280,245	3,944,723	4,224,968	291,028	4,974,268	5,265,296

(a) Uranium Properties

Sweden

As at February 28, 2010, the Company maintains a total of 27 uranium exploration permits, covering approximately 25,624 hectares, in northern Sweden.

On February 21, 2007, the Company entered into an agreement with Widerange Corporation Pty Ltd. ("Widerange"), whereby the Company granted Widerange an option to earn an initial 51% interest on eight of the 37 exploration permits, under which the Company received payment of US $50,000 and Widerange agreed to incur a total of US $1 million over a four year period. Widerange subsequently assigned its option interest to Hodges and, on April 22, 2007, as amended on October 3, 2008, the Company and Hodges entered into an option and joint venture agreement whereby Hodges issued 1,000,000 common shares of its share capital to the Company, at a fair value of $50,317, and may earn the initial 51% interest by incurring, or paying directly to the Company, a minimum US $100,000 in year one (incurred), US $100,000 in year two (incurred), US $150,000 in year three and US $200,000 in year four. Upon earning the 51% interest, Hodges could then increase its interest to 75% by funding a bankable feasibility study.

Finland

As at February 28, 2010, the Company holds four claim applications and two granted claims, covering approximately 477 hectares, in various areas of Finland.

Spain

During the nine months ended February 28, 2010 the Company surrendered its mineral exploration licenses in Spain and accordingly wrote-off $1,344,557 in acquisition costs and exploration expenditures.

(b) Other Properties

As at February 28, 2010, the Company holds six exploration permits in northern Sweden, covering approximately 2,281 hectares.

(c) See also Note 13.

5. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:

	February 28, 2010		May 31, 2009	
	Shares	Amount $	Shares	Amount $
Balance, beginning of period	38,000,555	23,390,751	36,500,555	22,644,773
Issued during the period				
For cash				
private placement	-	-	1,500,000	750,000
	-	-	1,500,000	750,000
Less share issue costs	-	-	-	(4,022)
	-	-	1,500,000	745,978
Balance, end of period	38,000,555	23,390,751	38,000,555	23,390,751

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at February 28, 2009 and 2008, and the changes for the nine months ending on those dates is as follows:

	2010		2009	
	Warrants Outstanding	Weighted Average Exercise Price $	Warrants Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	750,000	0.75	2,299,999	2.59
Expired	-	-	(2,299,999)	2.59
Balance, end of period	750,000	0.75	-	-

As at February 28, 2010, the Company had warrants outstanding to purchase 750,000 common shares at an exercise price of $0.75, expiring May 6, 2011.

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts.

No stock options were granted during the nine months ended February 28, 2010. During the nine months ended February 28, 2009, the Company granted 50,000 stock options to the Company's directors, employees and consultants and recorded compensation expense of $8,500.

During the nine months ended February 28, 2010, the Company recorded compensation expense of $5,951 (2009 - $5,775) on the vesting of stock options previously granted.

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)

The fair value of stock options is estimated using the Black-Scholes option pricing model with the following assumptions used for the vesting or granting made during the nine months ended February 28, 2010 and 2009:

	2010	2009
Risk-free interest rate	-	1.81%
Estimated volatility	-	133%
Expected life	-	3 years
Expected dividend yield	-	0%
Estimated forfeiture rate	-	0%

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

A summary of the Company's stock options at February 28, 2010 and 2009, and the changes for the nine months ending on those dates, is presented below:

	2010		2009	
	Options Outstanding	Weighted Average Exercise Price $	Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	3,523,250	1.25	3,613,250	1.38
Granted	-	-	50,000	0.22
Expired	(1,053,250)	0.83	(1,070,000)	0.50
Balance, end of period	2,470,000	1.42	2,593,250	1.53

The following table summarizes information about the stock options outstanding and exercisable at February 28, 2010:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
1,350,000	1,350,000	2.10	April 16, 2010
40,000	40,000	1.50	November 6, 2010
100,000	100,000	1.25	January 11, 2011
50,000	50,000	0.22	December 11, 2011
930,000	921,250	0.50	May 19, 2012
2,470,000	2,461,250		

7. CONTRIBUTED SURPLUS

The Company's contributed surplus at February 28, 2010 and 2009, and the changes for the nine months ending on those dates is presented below:

	2010 $	2009 $
Balance, beginning of period	3,550,917	3,223,392
Stock-based compensation on stock options (Note 6)	5,951	14,275
Balance, end of period	3,556,868	3,237,667

8. RELATED PARTY TRANSACTIONS

(a) During the nine months ended February 28, 2010, the Company:

i) incurred $95,750 (2009 - $100,780) for accounting, administration, professional fees and rent provided by certain directors of the Company or private corporations owned by the directors;

ii) incurred $167,251 (2009 - $198,000) for management fees provided by a private corporation owned by officers of the Company, of which $21,499 (2009 - $89,379) was capitalized to unproven mineral interests and $145,752 (2009 - $108,621) 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 incurred on February 28, 2010, the amount payable under the agreement would be $528,000; and

iii) incurred $4,400 (2009 - $10,000) for shared administration and other costs with Tumi Resources Limited ("Tumi"), a public company with common directors and officer.

As at February 28, 2010, $15,250 (2009 - $16,200) 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 February 28, 2010, $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.

9. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities in Europe. The Company is in the exploration stage and accordingly, has no reportable segment revenues or operating results.

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

	February 28, 2010			
	Corporate	Mineral Operations		Total
	Canada $	Sweden $	Finland $	$
Current assets	10,071,143	168,341	-	10,239,484
Investments	648,168	-	-	648,168
Capital assets	17,621	141,997	-	159,618
Unproven mineral interests	-	4,135,784	89,184	4,224,968
	10,736,932	4,446,122	89,184	15,272,238

	May 31, 2009				
	Corporate	Mineral Operations			Total
	Canada $	Sweden $	Spain $	Finland $	$
Current assets	11,134,459	537,994	-	-	11,672,453
Investments	1,312,389	-	-	-	1,312,389
Capital assets	16,022	175,475	-	-	191,497
Unproven mineral interests	-	3,872,843	1,313,525	78,928	5,265,296
	12,462,870	4,586,312	1,313,525	78,928	18,441,635

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments.

The carrying value of the common shares in investments approximates the fair value based on quoted prices. The carrying value of the warrants in investments approximates the fair value based on the Black-Scholes option pricing model.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company prepares expenditure budgets which are regularly monitored and updated as considered necessary. To facilitate its exploration program and ongoing corporate, general and administrative overhead, the Company raises funds through private equity placements, public offerings and option agreements with third parties. As at February 28, 2010, the Company's financial liabilities consist of accounts payable and the accrued liabilities.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. The Company has significant cash balances. From time to time, the Company invests its excess cash in money market instruments issued by major financial institutions. The term of such instruments does not exceed 90 days and as such the interest rate risk is immaterial.

Foreign Currency Exchange Rate Risk

Foreign currency rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian dollars and Swedish Kronors ("SEK"). The Company maintains SEK bank accounts in Sweden to support the cash needs of its foreign operations. The Company's investment in the common shares of Hodges are held in Australian dollars. Management believes the foreign exchange risk related to currency conversions are minimal and therefore does not hedge its foreign exchange risk.

At February 28, 2010, 1 Canadian dollar was equal to 6.78 SEK.

Balances are as follows:

	Swedish Kronors	**CDN $ Equivalent**
Cash and cash equivalents	849,194	125,250
Amounts receivable	263,370	38,845
Accounts payable and accrued liabilities	(801,726)	(118,249)
	310,838	45,846

Based on the net exposures as of February 28, 2010, and assuming that all other variables remain constant, a 1% fluctuation on the Canadian dollar against the SEK would be insignificant to the Company's net earnings.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital, defined as equity, is to safeguard the entity's ability to continue as a going concern, so that it can continue to acquire and explore mineral interests. The Company funds all administration and exploration programs from the issue of shares, generally through private placements. The Company prepares a budget for seasonal exploration programs and initiates equity offerings to ensure sufficient funds for each season's programs. If the Company is unsuccessful in raising sufficient capital, exploration programs are extended, delayed or cancelled. In order to conserve cash, the Company may issue shares to pay for properties or compensate directors, employees and contractors through stock options.

Any cash raised that is surplus to immediate requirements is invested in low-risk liquid instruments which may include bankers' acceptances or guaranteed investment certificates.

The Company is not subject to any externally imposed capital requirements.

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended February 28, 2010 and 2009 non-cash activities were conducted by the Company as follows:

	2010 $	2009 $
Operating activity		
Increase in accounts payable and accrued liabilities	-	51,070
Investing activities		
Expenditures on unproven mineral interests		(51,070)
Disposition of unproven mineral interests	-	(1,430,317)
Investments	-	1,430,317
	-	(51,070)

13. SUBSEQUENT EVENT

On March 8, 2010, the Company signed a letter of understanding (the "LOU") with arm's-length parties (the "Vendors") to acquire 100% of the stock of Altynor Peru SAC ("Altynor Peru") by making payments of US $50,000, US $550,000 and US $900,000 over 40 months. The final US $900,000 payment may be paid in cash or common shares of the Company at the election of the Vendors. Both parties will work towards signing a final agreement according to the terms defined in the LOU. These payments are triggered by the registration of certain agreements and the gaining of permits to drill the Alto Quemado gold-copper project (the "Alto Quemado Property").

Altynor Peru holds an option to purchase a 100% undivided interest of the Alto Quemado Property from Alto Quemado Mining Company SAC ("Alto Quemado"). Altynor Peru must make a payment of €2.56 million in 20 months to acquire 100% of the mining rights from Alto Quemado. Alto Quemado retains a 3% net smelter return which Altynor Peru may purchase. If production is not achieved within four years another payment of €2.56 million is due. The Company is in discussion with Alto Quemado to modify some specific terms of the agreement.

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED SCHEDULE OF UNPROVEN MINERAL INTERESTS

	Nine Months Ended February 28, 2010					Year Ended May 31, 2009
	Sweden		Spain	Finland		
	Uranium Projects	Other Projects	Uranium Projects	Uranium Projects	Total	Total
	$	$	$	$	$	$
BALANCE - BEGINNING OF PERIOD	3,731,529	141,314	1,313,525	78,928	5,265,296	4,539,081
EXPENDITURES						
Consulting	11,840	-	27,726	-	39,566	349,364
Database	1,395	-	-	-	1,395	1,879
Drilling	33,762	-	-	-	33,762	50,403
Equipment rental	-	-	-	-	-	11,066
Exploration site	19,481	-	5,220	-	24,701	55,816
Fuel	5,217	-	-	-	5,217	22,909
Geochemical	4,853	-	-	-	4,853	23,112
Geological	38,260	-	5,474	6,840	50,574	279,443
Logging	1,365	-	-	-	1,365	-
Maps	1,648	-	-	-	1,648	5,744
Repairs and maintenance	-	-	-	-	-	2,836
Salaries	34,306	-	-	-	34,306	133,985
Travel	17,788	-	-	-	17,788	36,576
Vehicle rental	14,980	-	-	-	14,980	21,312
Recoveries	-	-	-	-	-	(61,829)
	184,895	-	38,420	6,840	230,155	932,616
ACQUISITION COSTS						
Permits	78,046	-	-	3,416	81,462	68,991
Recoveries	-	-	(7,388)	-	(7,388)	(124,356)
	78,046	-	(7,388)	3,416	74,074	(55,365)
INCURRED DURING THE PERIOD	262,941	-	31,032	10,256	304,229	877,251
BALANCE BEFORE THE FOLLOWING	3,994,470	141,314	1,344,557	89,184	5,569,525	5,416,332
WRITE-OFF	-	-	(1,344,557)	-	(1,344,557)	(151,036)
BALANCE - END OF PERIOD	3,994,470	141,314	-	89,184	4,224,968	5,265,296