MAWSON RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2010

Background

This discussion and analysis of financial position and results of operation is prepared as at April 12, 2010, and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the nine months ended February 28, 2010 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.

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 a strong history of corporate and project development in the world's principal mineral districts. The Company is a leader in the development of uranium resource projects in nuclear reliant Scandinavia, and recently acquired an exciting new high-grade gold and copper discovery in mineral-rich Southern Peru. The Company is managed by a team with a strong record of corporate and project development.

Corporate Update

Mawson's strategy is to focus on the exploration for metals and energy, with gold and copper projects in South America and uranium projects in Scandinavia.

In March 2010 the Company announced it had signed a Letter of Understanding ("LOU") to acquire a new high-grade gold and copper discovery (the "Alto Quemado Project") in mineral-rich Southern Peru. Additionally, the Company announced it had signed an Option Agreement to explore the Orrbäcken nickel project, which won the annual Swedish "Mineral Hunt" Competition for 2009. Subsequent to this Option Agreement, Mawson entered a Joint Venture Agreement with Independence Group ("IGO") (www.igo.com.au), a nickel mining and exploration company listed on the Australian Stock Exchange, that provides IGO with the right to explore and advance the project.

With close to $10 million in cash and money market instruments currently held with large Canadian financial institutions, zero debt, approximately $600,000 in available-for-sale investments and a new dual focus into metals and energy across multiple jurisdictions, Mawson is extremely well positioned for growth.

URANIUM PROJECTS

Mawson's uranium exploration focus in Scandinavia is at the Hotagen project in Sweden and the Nuottijarvi project in Finland.

Sweden

In Sweden, as at the date of this MD&A, the Company has staked 29 claims with potential for uranium totalling 28,334 hectares and two non-uranium exploration permits (nickel) totalling 5,920 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 an 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 with a NI43-101 compliant indicated resource of 3.3 million pounds at 0.08% uranium oxide ("U_3O_8"). 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_3O_8, which ranged from 0.05% U_3O_8 to 8.04% U_3O_8 and averaged 0.79% U_3O_8. 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.

During the period the Company completed a near-surface diamond drilling program at three uranium prospects (Ravinen, Kläppibäcken North and Urban Hill) at the Hotagen uranium project. The program consisted of 155 shallow diamond drill holes for 863.7 metres and tested bedrock for strike extensions of uranium mineralization beneath thin soil cover. Data from the drill program are currently being interpreted and analysed and results will be released as they are received.

Finland

The Company holds four claim applications and two granted claims for 477 hectares in total in Finland.

Nuottijärvi Uranium Project

The Company's 100%-owned claim "Nuottijärvi 1" is 96 hectares in size, granted to Mawson in September 2009, securing 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_3O_8 from 59.9m;
PLT-NU-011:	33.4m for 0.06% U_3O_8 from 17.8m, *including* 3.8m @ 0.13% U_3O_8;
PLT-NJ-033:	40.3m for 0.05% U_3O_8 from 23.0m;
PLT-NU-004:	179.8m for 0.04% U_3O_8 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_3O_8 (2.9 million pounds of U_3O_8) 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 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.

GOLD PROJECTS

During the period the Company signed a Letter of Understanding which entitles it to acquire up to 100% of the Alto Quemado gold-copper project in the mineral-rich Southern Peru Mineral Belt. The Property is located in the Province of Caylloma, Department of Arequipa, 56km north of the Panamerican Highway and 98km northwest of Arequipa. The licence area comprises of 3,800 ha with elevations between 2,900-3,300m.

The project lies in the Western Cordillera of southern Peru which comprises segments of Proterozoic and Paleozoic basement rocks, Cretaceous and Tertiary volcanic and sedimentary rocks. This prospectivity of the belt is highlighted by the presence of significant scale deposits and mines including: Cuajone (1.2Bt at 0.64% Cu), Cerro Verde (1Bt at 0.51% Cu), Toquepala (770Mt at 0.74% Cu), and Quellaveco (761Mt at 0.57% Cu, 0.23% Mo and 2.32g/t Ag).

Alto Quemado is a significant new discovery in Peru. Mineralization can be characterized as gold-copper low-sulphidation to transitional porphyry style. It was not until informal miners from 2001-2007 exposed a network of high-grade gold structures beneath a gold-depleted weathered veneer that the true potential of the area was recognized. Potential for two styles of mineralization have been identified at the Property:

- High-grade near-term production gold target. Low sulphidation gold-copper mineralization present as multiple high grade (25g/t Au in oxide and +40g/t Au in sulphide) mineralized structures, typically 0.5m to 1.5m wide (locally up to 15m), and traceable for greater than 3km. Structures may contain significant copper.
- Large tonnage copper-gold porphyry target. The high-grade gold structures are hosted within an extensive argillic alteration system and lie adjacent to a leached porphyry exposed in outcrop that displays a strong IP response over 1.8km by 500m (remains open). Based on the IP signature, porphyry textures at surface and proximity to large porphyry copper mines, potential for the discovery of an underlying porphyry at the project is strong.

Small scale mining took place for six years at Alto Quemado during 2001 to 2007. The average mining depth was 30 to 40m, except for one section of which went to 80m depth. The Company has been advised that monthly production from small scale mining was 100t-150t of oxide ore with an average grade between 30g/t-40g/t Au. The project has only been tested by a small amount of modern exploration and never a drill hole. Work has included an IP survey in 1997 which defined a strong chargeability/low resistivity target over an area of 1.8km by 500m which remains open.

The known strike of the high grade structural system is over 3km with a vertical extent over 200m, giving further confidence to the third dimension continuity of mineralization. The thickness of the structures ranges from 0.5m up to 2.5m and show a pinch-and-swell type behaviour with thicknesses up to 16m at La Union where the structures anastomose. Mineralization at Alto Quemado is comprised of pyrite, chalcopyrite, chalcocite, bornite, covellite, malachite, azurite, gold and with accessory gangue minerals which include quartz, sericite, chlorite, epidote, K-feldspar, micas, kaoline, carbonate, barite, hematite and limonite.

More than ten mineralized structures have been mapped at the property, however reconnaissance sampling by the underlying optionor, Altynor Peru SAC or "Altynor" (117 samples) and Mawson (21 samples) has focused to date on three main high grade mineralized structures (Ximena, Fiorella and La Banda) and one linear stockwork zone (Lomada) which have been exposed by previous artisanal mining activities. Sampling also has taken place over leached outcropping porphyry (Santa Maria) that extends over an area of approximately 850m by 400m. The gold bearing structures lie within a large argillic alteration system, fault bound to north and south and estimated to be at least 4km long and 1.3km wide which remains open along strike to the east and west. As outcrop of mineralized structures is poor Mawson believes good opportunities exist to make further discoveries. Ninety-five rockchip samples taken across the three high grade veins structures from both the Altynor and Mawson sampling programs averaged 19.9g/t Au and 2.0% Cu and ranged from 0.01-709g/t Au and 0.0-32.5% Cu.

Mawson has signed a Letter of Understanding with arms length parties to acquire a 100% of the stock of Altynor by making scheduled payments of US $50,000, US $550,000 and US $900,000 over 40 months. 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 property. Altynor holds an option to purchase 100% of the Alto Quemado gold-copper project from Alto Quemado Mining Company SAC ("AQ"). Altynor must make a payment of €2.56 million in 20 months to acquire 100% of the mining rights from AQ. The owners of AQ retain a 3% net smelter return which Altynor may purchase. If production is not achieved within four years another payment of €2.56 million is due. Mawson is in discussion with the owners of AQ to modify some specific terms of the agreement.

Future Developments

Results from a 155 drill hole (863.7m) diamond drill program which tested three uranium prospects at the Hotagen uranium project in Sweden are currently being interpreted and analysed and results will be released as they are received. The Company aims to conduct follow-up field programs on the results generated by this drill program during the European summer.

In Finland, the Company will shortly release the results of an independent NI43-101 compliant resource study at the Nuottijärvi uranium project.

In Peru the Company has assembled a field team to prepare for an 8 month field campaign at the Alto Quemado gold-copper project in Southern Peru. The field campaign will consist of the first detailed mapping, sampling and geophysical programs to be completed on the property with the aim of defining drill targets that will be tested in 2011.

Joint Ventures

During the quarter the Company announced it had signed an Option Agreement to explore the Orrbäcken nickel project, which won the annual Swedish "Mineral Hunt" Competition for 2009. Subsequent to this Option Agreement, Mawson entered a Joint Venture Agreement with Independence Group ("IGO") (www.igo.com.au), a nickel mining and exploration company listed on the Australian Stock Exchange, that provides IGO with the right to explore and advance the project.

Orrbäcken is a new nickel discovery which shows promising chemistry, scale and position in relation to gravity and magnetic datasets. The discovery consists of approximately 80 gabbroic boulders that form a 1.5km long boulder train, 25 of which are mineralized and interpreted to be close to source. Four boulder samples were taken by the Swedish Geological Survey from the Orrbäcken discovery. Nickel ranged from 1.9% to 0.6% and averaged 1.0%, cobalt ranged from 0.21% to 0.05% and averaged 0.1% and copper ranged from 0.7% to 0.1% and averaged 0.3%. The boulder train is associated with a magnetic feature that is of a similar scale to mafic intrusives that host economic deposits elsewhere. IGO plans to fly airborne magnetics over the coming months with field work scheduled for June 2010. With encouraging results, airborne and ground electromagnetic surveys are planned with follow-up diamond drilling during winter 2010/2011.

Separately in Sweden, Mawson 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 from April 2007 on four of Mawson's earlier stage uranium projects (including the Norr Döttern and Harrejokk projects in the Arvidsjaur-Areplog area) 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 data from which is yet to be made public. The area is kept in good standing by Hodges.

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 February 28, 2010, the quoted market value of the common shares of the investments was $596,168 and the fair value of the warrants, as estimated using the Black-Scholes pricing model, was $52,000.

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
	Feb 28 2010 $	Nov 30 2009 $	Aug 31 2009 $	May 31 2009 $	Feb 28 2009 $	Nov 30 2008 $	Aug 31 2008 $	May 31 2008 $
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(396,849)	(498,521)	(195,195)	(462,814)	(260,422)	(373,650)	(275,477)	(272,478)
Other items	(79,068)	(699,709)	(643,640)	185,396	(146,916)	70,957	71,396	(946,653)
Net income (loss)	(475,917)	(1,198,230)	(838,835)	(277,418)	(407,338)	(302,693)	(204,081)	(1,219,131)
Comprehensive income gain (loss)	(484,486)	506,464	(582,199)	57,796	90,532	(1,204,705)	(504,081)	(1,219,131)
Basic and diluted loss per share	(0.02)	(0.02)	(0.04)	(0.01)	(0.01)	(0.03)	(0.01)	(0.03)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital	10,095,645	10,613,449	11,127,759	11,426,469	11,090,811	11,371,728	11,996,003	13,890,395
Total assets	15,272,238	16,222,397	16,870,250	18,441,635	17,098,207	17,201,449	18,419,291	19,156,002
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the nine months ended February 28, 2010 (the "2010 period") the Company reported a net loss of $2,512,982 ($0.08 per share), an increase in loss of $1,598,870 from the net loss of $914,112 ($0.05 per share) for the nine months ended February 28, 2009 (the "2009 period"). The primary factor for the increase is attributed to the write-down of unproven mineral interests of $1,344,557 in the 2010 period compared to a write-down of $147,303 in the 2009 period. An unrealized loss of $104,000 was also recognized in the 2010 period on held-for-trading investments. No recognition was made in the 2009 period.

The Company also recorded an unrealized loss on available-for-sale investments of $560,221 in the 2010 period, compared to an unrealized loss of $811,480 in the 2009 period. The unrealized loss was recorded as a comprehensive item.

Total expenses increased slightly by $181,016 from $909,549 during the 2009 to $1,090,565 during the 2010 period. Specific expenses of note during the 2010 period are as follows:

- incurred $22,150 (2009 - $27,680) 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 $503,444 (2009 - $389,398) relating to ongoing costs of the Company's exploration office in Sweden and general exploration and property due diligence in Sweden, Finland and Peru. Fluctuations in general exploration expenses is primarily affected by allocations to direct property costs;
- incurred $84,920 for travel expenses (2009 - $55,056), 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 $9,935 (2009 - $19,269), primarily for corporate services. During the 2009 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 2010 period, the Company paid Mining Interactive $37,500 (2009 - $48,000);
- paid $109,874 (2009 - $75,175) for professional services. The Company reimbursed $4,400 (2009 - $10,000) to Tumi Resources Limited, a public company with common directors, for shared administration and other costs and $67,500 for professional services to directors of the Company;
- incurred $167,251 (2009 - $198,000) 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 (2009 - $89,379) to unproven mineral interests and expensed $145,752 (2009 - $108,621) as management fees; and
- the Company recorded $5,951 (2009 - $14,275) 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 short-term (less than 90 days) money market instruments issued by major financial institutions. During the 2010 period the Company reported interest and other income of $19,015 as compared to $228,060 during the 2009 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 2010 period. During the 2009 period, interest rates averaged approximately 3.3% per annum compared to a yield of approximately 0.25%. per annum during the 2010 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 $506,221 during the 2010 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 $104,000 during the 2010 period. See also "Investments" in this MD&A.

During the 2010 period, the Company incurred a total of $304,229 (2009 - $657,547) on acquisition costs and exploration activities on its unproven mineral interests. In total, the Company spent $304,229 (2009 - $650,987) on its Uranium Projects and $nil (2009 - $6,560) on its other projects. During the 2010 period the Company surrendered its mineral exploration permits in Spain and accordingly wrote-off $1,344,557 in exploration expenditures. Details of the exploration activities conducted during the 2010 period are described in "Exploration Projects" in this MD&A.

Financial Condition / Capital Resources

As at February 28, 2010, the Company had working capital of $10,095,645. 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 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.

During 2009, the Company commenced the scoping and planning phase of its changeover plan. The Company has designated the appropriate resources to the project to develop an effective plan and will continue to assess resource and training requirements as the project progresses. The Company has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The scoping and planning phase involves establishing a project management team, mobilizing organizational support for the conversion plan, obtaining stakeholder support for the project, identifying major areas affected and developing an implementation plan. The Company expects to complete the scoping and planning phase during 2010. The detailed assessment phase ("Phase 2") will result in accounting policies and transitional exemptions decisions, quantification of financial statement impact, preparation of shell financial statements and identification of business processes and resources impacted. The operations implementation phase ("Phase 3") includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at June 1, 2010, the fiscal year ended May 31, 2011 and thereafter. Phase 3 also includes ongoing training, testing of the internal control environment and updated processes for disclosure controls and procedures. Post implementation ("Phase 4") will include sustainable IFRS compliant financial data and processes for fiscal 2011 and beyond. The Company will continue to monitor changes in IFRS throughout the duration of the implementation process and assess their impacts on the Company and its reporting.

Transactions with Related Parties

(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.

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 Scandinavia and Peru 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) on a continuous basis. Effective November 1, 2004, the Company retained Mining Interactive to provide market awareness and investor relations activities. During the nine months ended February 28, 2010 the Company paid Mining Interactive a total of $37,500 (2009 - $48,000). 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 April 12, 2010, there were 38,000,555 issued and outstanding common shares. In addition, there were 2,700,000 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 December 1, 2009 and ending on February 28, 2010 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.