
MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
NOVEMBER 30, 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 six months ended November 30, 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
CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	November 30, 2010	May 31, 2010
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	3,054,872	7,532,677
Short-term deposits (Note 3)	10,237,689	2,000,000
Amounts receivable	114,416	128,106
Prepaid expenses	<u>64,561</u>	<u>20,907</u>
	13,471,538	9,681,690
INVESTMENTS (Note 4)	703,353	663,544
CAPITAL ASSETS , net of accumulated depreciation \$176,738 (May 31, 2010 - \$184,887)	109,097	140,921
UNPROVEN MINERAL INTERESTS (Note 5)	<u>7,030,231</u>	<u>5,653,454</u>
	<u><u>21,314,219</u></u>	<u><u>16,139,609</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>217,297</u>	<u>211,740</u>

S H A R E H O L D E R S ' E Q U I T Y

SHARE CAPITAL (Note 6)	30,691,805	24,718,992
CONTRIBUTED SURPLUS (Note 8)	4,793,366	3,686,406
DEFICIT	(13,547,285)	(11,579,756)
ACCUMULATED OTHER COMPREHENSIVE LOSS	<u>(840,964)</u>	<u>(897,773)</u>
	<u>21,096,922</u>	<u>15,927,869</u>
	<u><u>21,314,219</u></u>	<u><u>16,139,609</u></u>

SUBSEQUENT EVENT (Note 14)

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)

	<u>Three Months Ended</u> <u>November 30,</u>		<u>Six Months Ended</u> <u>November 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$	\$	\$	\$
EXPENSES				
Accounting and administrative	9,450	6,250	20,950	17,050
Audit	30,345	19,966	30,345	28,780
Corporate development	30,251	7,427	37,534	9,180
Depreciation	11,454	14,001	22,646	28,002
General exploration	90,327	273,945	200,038	293,653
Investor relations	10,500	12,000	21,000	27,000
Legal	978	789	1,341	1,032
Management fees	48,250	74,000	97,000	118,501
Office and sundry	7,425	4,293	13,079	12,633
Professional fees	63,399	34,750	130,833	75,350
Regulatory fees	3,585	7,931	11,693	11,312
Rent	4,800	5,655	9,600	9,932
Salaries and benefits	19,283	-	36,199	-
Shareholder costs	6,128	2,416	11,450	3,819
Stock-based compensation (Note 7)	1,300,000	1,663	1,300,000	3,851
Transfer agent	4,230	1,823	5,446	3,082
Travel	41,702	31,612	74,794	50,539
	<u>1,682,107</u>	<u>498,521</u>	<u>2,023,948</u>	<u>693,716</u>
LOSS BEFORE THE FOLLOWING	<u>(1,682,107)</u>	<u>(498,521)</u>	<u>(2,023,948)</u>	<u>(693,716)</u>
OTHER ITEMS				
Recovery of expenses (Note 9(iv))	-	-	40,624	-
Gain on sale of capital asset	-	-	6,873	-
Interest and other income	21,871	6,109	35,749	13,059
Foreign exchange	(19,391)	(6,607)	(9,827)	19,429
Unrealized gain (loss) on held-for-trading investments	8,100	50,000	(17,000)	(32,000)
Write-down of unproven mineral interests	-	(749,211)	-	(1,343,837)
	<u>10,580</u>	<u>(699,709)</u>	<u>56,419</u>	<u>(1,343,349)</u>
NET LOSS FOR THE PERIOD	<u>(1,671,527)</u>	<u>(1,198,230)</u>	<u>(1,967,529)</u>	<u>(2,037,065)</u>
OTHER COMPREHENSIVE GAIN (LOSS)	<u>174,423</u>	<u>506,464</u>	<u>56,809</u>	<u>(75,735)</u>
COMPREHENSIVE LOSS FOR THE PERIOD	<u>(1,497,104)</u>	<u>(691,766)</u>	<u>(1,910,720)</u>	<u>(2,112,800)</u>
LOSS PER SHARE - BASIC AND DILUTED	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ (0.06)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
- BASIC AND DILUTED	<u>45,523,375</u>	<u>38,000,555</u>	<u>44,110,314</u>	<u>38,000,555</u>

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 November 30,		Six Months Ended November 30,	
	2010 \$	2009 \$	2010 \$	2009 \$
DEFICIT - BEGINNING OF PERIOD	(11,875,758)	(9,215,924)	(11,579,756)	(8,377,089)
NET LOSS FOR THE PERIOD	<u>(1,671,527)</u>	<u>(1,198,230)</u>	<u>(1,967,529)</u>	<u>(2,037,065)</u>
DEFICIT - END OF PERIOD	<u>(13,547,285)</u>	<u>(10,414,154)</u>	<u>(13,547,285)</u>	<u>(10,414,154)</u>
 ACCUMULATED OTHER COMPREHENSIVE LOSS				
- BEGINNING OF PERIOD	(1,015,387)	(951,127)	(897,773)	(368,928)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	<u>174,423</u>	<u>506,464</u>	<u>56,809</u>	<u>(75,735)</u>
ACCUMULATED OTHER COMPREHENSIVE LOSS				
- END OF PERIOD	<u>(840,964)</u>	<u>(444,663)</u>	<u>(840,964)</u>	<u>(444,663)</u>

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 November 30,		Six Months Ended November 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Net loss for the period	(1,671,527)	(1,198,230)	(1,967,529)	(2,037,065)
Adjustment for items not involving cash				
Depreciation	11,454	14,001	22,646	28,002
Stock-based compensation	1,300,000	1,663	1,300,000	3,851
Unrealized (gain) loss on held-for-trading investments	(8,100)	(50,000)	17,000	32,000
Gain on sale of capital asset	-	-	(6,873)	-
Write-down of unproven mineral interests	-	749,211	-	1,343,837
	(368,173)	(483,355)	(634,756)	(629,375)
(Increase) decrease in amounts receivable	(44,915)	1,030	13,690	54,345
Decrease (increase) in prepaid expense	(35,858)	6,974	(43,654)	(1,720)
Increase (decrease) in accounts payable and accrued liabilities	(38,543)	42,250	(43,551)	(9,827)
	(487,489)	(433,101)	(708,271)	(586,577)
INVESTING ACTIVITIES				
Short-term deposits	(5,375,266)	-	(8,237,689)	-
Expenditures on unproven mineral interests	(725,256)	(24,240)	(1,345,876)	(271,047)
Proceeds on disposition of capital asset	-	-	24,980	-
Purchase of capital assets	(8,929)	(6,715)	(8,929)	(13,060)
	(6,109,451)	(30,955)	(9,567,514)	(284,107)
FINANCING ACTIVITIES				
Issuance of common shares	5,802,720	-	5,802,720	-
Share issue costs	(4,740)	-	(4,740)	-
	5,797,980	-	5,797,980	-
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(798,960)	(464,056)	(4,477,805)	(870,684)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	3,853,832	11,125,673	7,532,677	11,532,301
CASH AND CASH EQUIVALENTS - END OF PERIOD	3,054,872	10,661,617	3,054,872	10,661,617
CASH AND CASH EQUIVALENTS IS COMPRISED OF:				
Cash	752,074	475,588	752,074	475,588
Money market instruments	2,302,798	10,186,029	2,302,798	10,186,029
	3,054,872	10,661,617	3,054,872	10,661,617

SUPPLEMENTAL CASH FLOW INFORMATION (Note 13)

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

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2010
(Unaudited - Prepared by Management)

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 November 30, 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 2011 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.

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.

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

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2010
(Unaudited - Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The Company does not anticipate the new accounting standards to have an impact on the Company's consolidated financial statements.

3. SHORT-TERM DEPOSITS

	November 30, 2010 \$	May 31, 2010 \$
Redeemable GIC due April 26, 2011 at cost plus accrued interest at 1.05% per annum	-	2,000,000
Redeemable GIC due July 8, 2011 at cost plus accrued interest at prime less 1.85% per annum	150,628	-
Redeemable GIC due November 21, 2011 at cost plus accrued interest at 1.40% per annum	4,887,061	-
Redeemable GIC due November 29, 2011 at cost plus accrued interest at prime less 1.80% per annum	<u>5,200,000</u>	<u>-</u>
	<u><u>10,237,689</u></u>	<u><u>2,000,000</u></u>

4. INVESTMENTS

		November 30, 2010			
		Accumulated			Carrying Value \$
Number	Cost \$	Compre- hensive Gain (Loss) \$	Accumulated Gain \$		
Available-for-sale investments					
Common shares					
Hodges Resources Ltd. ("Hodges")	1,000,000	50,317	146,536	-	196,853
Hansa Resources Limited ("Hansa")	7,000,000	1,430,000	(1,010,000)	-	420,000
Tumi Resources Limited ("Tumi")	300,000	45,000	22,500	-	67,500
Held-for-trading investments					
Warrants					
Hansa	1,000,000	-	-	10,000	10,000
Tumi	300,000	-	-	9,000	9,000
		<u>1,525,317</u>	<u>(840,964)</u>	<u>19,000</u>	<u>703,353</u>

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2010
(Unaudited - Prepared by Management)

4. INVESTMENTS (continued)

	Number	Cost \$	May 31, 2010		
			Accumulated Compre- hensive Gain (Loss) \$	Accumulated Gain \$	Carrying Value \$
Available-for-sale investments					
Common shares					
Hodges	1,000,000	50,317	90,727	-	141,044
Hansa	7,000,000	1,430,000	(975,000)	-	455,000
Tumi	300,000	45,000	(13,500)	-	31,500
Held-for-trading investments					
Warrants					
Hansa	1,000,000	-	-	30,000	30,000
Tumi	300,000	-	-	6,000	6,000
		<u>1,525,317</u>	<u>(897,773)</u>	<u>36,000</u>	<u>663,544</u>

- (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 5(a). As at November 30, 2010, the quoted market value of the 1,000,000 Hodges shares was \$196,353.
- (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 November 30, 2010, the quoted market value of the 7,000,000 common shares of Hansa was \$420,000 and the fair value of the Hansa warrants was determined to be \$10,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 142%; a risk-free interest rate of 0.97%; and an expected life of four months.

- (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 \$0.25 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 November 30, 2010, the quoted market value of the 300,000 common shares of Tumi was \$67,500 and the fair value of the Tumi warrants was determined to be \$9,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 71%; a risk-free interest rate of 0.97%; and an expected life of four months.

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2010
(Unaudited - Prepared by Management)

5. UNPROVEN MINERAL INTERESTS

	November 30, 2010			May 31, 2010		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Uranium Properties (a)						
Sweden	289,760	3,888,877	4,178,637	259,343	3,847,712	4,107,055
Finland	1,436,512	966,366	2,402,878	1,436,512	91,920	1,528,432
Other Properties (b)						
Sweden	4,607	2,584	7,191	4,607	2,584	7,191
Peru	160,160	281,365	441,525	10,776	-	10,776
	<u>1,891,039</u>	<u>5,139,192</u>	<u>7,030,231</u>	<u>1,711,238</u>	<u>3,942,216</u>	<u>5,653,454</u>

(a) Uranium Properties

Sweden

The Company and Hodges has 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 has agreed to incur, or pay directly to the Company, a minimum US \$550,000 (US \$350,000 incurred) to earn a 51% interest in eight exploration permits. Upon earning the 51% interest Hodges could then increase its interest to 75% by funding a bankable feasibility study.

As at November 30, 2010, the Company maintains a total of 30 uranium claims or claim applications in Sweden.

Finland

On April 30, 2010, the Company entered into a purchase and sale agreement with Areva Resources Finland OY (“Areva Finland”), whereby the Company paid \$1,403,956 to purchase 170 claims or claim applications in Finland.

The Company also holds eight claims or claim applications in various areas of Finland.

(b) Other Properties

- (i) On January 4, 2010, the Company entered into an option agreement to acquire up to a 100% interest in three exploration licenses (the “Orrbacken Project”) in Sweden. The Company can acquire an initial 90% interest in the Orrbacken Project by paying a total of SEK 1,600,000, as follows:

Date	SEK
On signing	200,000 (paid)
On first anniversary	200,000
On second anniversary	300,000
On third anniversary	400,000
On fourth anniversary	<u>500,000</u>
	<u>1,600,000</u>

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. UNPROVEN MINERAL INTERESTS (continued)

Upon acquisition of the 90% interest, the Company has the right to purchase the remaining 10% interest for SEK 5,000,000.

On January 11, 2010, the Company entered into an agreement whereby the optionee could earn a 70% interest (the "Interest") in the Company's acquired interest in the Orrbacken Project by spending AUS \$2,000,000 over five years. The optionee will also pay AUS \$300,000 to the Company upon the transfer of the Interest.

As at November 30, 2010, the Company holds five base metal exploration permits in Sweden.

- (ii) The Company has entered into option agreements with the shareholders of Altnor Peru S.A.C. ("Altnor Peru") whereby the Company can acquire a 100% ownership interest in Altnor Peru by making payments totalling US \$600,000 of which US \$50,000 has been paid and US \$550,000 is payable on receipts of permits to drill.

Altnor Peru holds an option to purchase a 100% undivided interest in nine exploration permits (the "Alto Quemado Property") from Alto Quemado Mining Company S.A.C. ("Alto Quemado"). Altnor Peru must make payments totalling Euro 2.56 million to acquire 100% of the mining rights from Alto Quemado. Alto Quemado retains a 3% net smelter return which Altnor Peru may purchase. If production is not achieved within four years another payment of Euro 2.56 million is due. Upon acquiring the 100% interest in Altnor Peru the Company will also pay the shareholders of Altnor Peru a success fee of US \$900,000, in cash or common shares of the Company, should Altnor Peru exercise its option on the Alto Quemado Property.

6. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:	November 30, 2010		May 31, 2010	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	42,697,253	24,718,992	38,000,555	23,390,751
Issued during the period				
For cash				
private placement	7,000,000	5,530,000	4,696,698	1,362,042
exercise of stock options	603,500	272,720	-	-
Reallocation from contributed surplus on exercise of stock options	-	193,040	-	-
	7,603,500	5,995,760	4,696,698	1,362,042
Less share issue costs	-	(22,947)	-	(33,801)
	7,603,500	5,972,813	4,696,698	1,328,241
Balance, end of period	50,300,753	30,691,805	42,697,253	24,718,992

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2010
(Unaudited - Prepared by Management)

6. SHARE CAPITAL (continued)

- (a) During the six months ended November 30, 2010, the Company completed a private placement for 7,000,000 units at \$0.79 per unit for gross proceeds of \$5,530,000. Each unit comprised one common share and one half share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$1.20 per share on or before October 25, 2012.

The Company paid a cash finder's fee of \$4,740 and incurred filing fees of \$18,207 which remained unpaid as at November 30, 2010.

- (b) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at November 30, 2010 and 2009, and the changes for the six months ended on those dates is as follows:

	<u>2010</u>		<u>2009</u>	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	4,967,012	0.96	750,000	0.75
Issued	<u>3,500,000</u>	1.20	<u>-</u>	-
Balance, end of period	<u><u>8,467,012</u></u>	1.06	<u><u>750,000</u></u>	0.75

The following table summarizes information about the number of common shares reserved pursuant to warrants outstanding at November 30, 2010:

Number	Exercise Price \$	Expiry Date
750,000	0.75	May 6, 2011
4,217,012	1.00	May 12, 2014
<u>3,500,000</u>	1.20	October 25, 2012
<u><u>8,467,012</u></u>		

7. 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.

During the six months ended November 30, 2010 the Company granted 2,000,000 (2009 - nil) stock options to its directors, employees and consultants and recorded compensation expense of \$1,300,000 (2009 - \$nil). In addition the Company recorded compensation expense of \$nil (2009 - \$3,851) on the vesting of stock options previously granted.

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited - Prepared by Management)

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

The fair value of stock options granted and vested during the six months ended November 30, 2010 and 2009 is estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>2010</u>	<u>2009</u>
Risk-free interest rate	1.16%	1.64% - 1.79%
Estimated volatility	134%	138% - 144%
Expected life	3 years	2.50 years - 2.75 years
Expected dividend yield	0%	0%

The weighted average fair value of all stock options granted during the six months ended November 30, 2010 was \$0.65 (2009 - \$nil) per option.

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 a reliable measure of the fair value of the Company's stock options.

A summary of the Company's stock options at November 30, 2010 and 2009, and the changes for the six months ended on those dates, is presented below:

	<u>2010</u>		<u>2009</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,600,000	0.52	3,523,250	1.25
Granted	2,000,000	0.82	-	-
Exercised	(603,500)	0.46	-	-
Cancelled / expired	<u>(120,000)</u>	0.78	<u>(763,250)</u>	0.72
Balance, end of period	<u>2,876,500</u>	0.73	<u>2,760,000</u>	1.40

The following table summarizes information about the stock options outstanding and exercisable at November 30, 2010:

Number Outstanding and Exercisable	Exercise Price \$	Expiry Date
100,000	1.25	January 11, 2011
420,000	0.50	May 19, 2012
106,500	0.32	March 5, 2013
150,000	0.345	April 22, 2013
100,000	0.41	May 3, 2013
<u>2,000,000</u>	0.82	October 18, 2013
<u>2,876,500</u>		

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8. CONTRIBUTED SURPLUS

The Company's contributed surplus at November 30, 2010 and 2009, and the changes for the six months ended on those dates is presented below:

	2010 \$	2009 \$
Balance, beginning of period	3,686,406	3,550,917
Stock-based compensation on stock options (Note 7)	1,300,000	3,851
Stock options exercised	<u>(193,040)</u>	<u>-</u>
Balance, end of period	<u>4,793,366</u>	<u>3,554,768</u>

9. RELATED PARTY TRANSACTIONS

During the six months ended November 30, 2010 the Company:

- i) incurred \$68,350 (2009 - \$66,950) for accounting, administration, professional fees and rent provided by certain directors of the Company or private corporations owned by the directors;
- ii) incurred \$97,000 (2009 - \$140,000) for management fees provided by a private corporation owned by officers of the Company, of which \$nil (2009 - \$21,499) was capitalized to unproven mineral interests and \$97,000 (2009 - \$118,501) 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 \$13,500 per month, is payable. If the termination had occurred on November 30, 2010, the amount payable under the agreement would be \$324,000;
- iii) incurred \$6,500 (2009 - \$3,700) for shared administration and other costs with Tumi, a public company with common directors and officer; and
- iv) recovered \$40,624 (2009 - \$nil) for shared office personnel and costs from Tasman Metals Ltd., a public company with common directors and officers.

As at November 30, 2010, \$9,750 (2009 - \$16,250) was included in accounts payable and accrued liabilities.

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.

MAWSON RESOURCES LIMITED
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10. SEGMENTED INFORMATION

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

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

	November 30, 2010				Total
	Corporate	Mineral Operations			
	Canada	Sweden	Finland	Peru	
	\$	\$	\$	\$	\$
Current assets	13,099,999	257,357	-	114,182	13,471,538
Investments	703,353	-	-	-	703,353
Capital assets	12,873	90,735	-	5,489	109,097
Unproven mineral interests	-	4,185,828	2,402,878	441,525	7,030,231
	<u>13,816,225</u>	<u>4,533,920</u>	<u>2,402,878</u>	<u>561,196</u>	<u>21,314,219</u>
	May 31, 2010				
	Corporate	Mineral Operations			Total
	Canada	Sweden	Finland	Peru	\$
	\$	\$	\$	\$	\$
Current assets	9,402,767	225,599	-	53,324	9,681,690
Investments	663,544	-	-	-	663,544
Capital assets	16,038	124,883	-	-	140,921
Unproven mineral interests	-	4,114,246	1,528,432	10,776	5,653,454
	<u>10,082,349</u>	<u>4,464,728</u>	<u>1,528,432</u>	<u>64,100</u>	<u>16,139,609</u>

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Under Canadian GAAP financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, which are the same as their fair values, are classified into the following categories:

Financial Instrument	Category	November 30, 2010	May 31, 2010
		\$	\$
Cash and cash equivalents	Held-for-trading	3,054,872	7,532,677
Short-term deposits	Held-for-trading	10,237,689	2,000,000
Investments - common shares	Available-for-sale	684,353	627,544
Investments - warrants	Held-for-trading	19,000	36,000
Amounts receivable	Loans and receivables	114,416	128,106
Accounts payable and accrued liabilities	Other liabilities	(217,297)	(211,740)

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The recorded amounts for cash and cash equivalents, short-term deposits, amount receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's carrying value and fair value of cash and cash equivalents, short-term deposit and common shares investments under the fair value hierarchy is measured using Level 1 inputs. The Company's carrying value and fair value of warrant investments under the fair value hierarchy is measured using Level 2 inputs.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its 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 November 30, 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 and US Dollars and Soles in Peru 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 November 30, 2010, 1 Canadian dollar was equal to 6.85 SEK, 0.97 US dollar and 2.76 Peru Soles.

Balances are as follows:

	Swedish Kronors	United States Dollars	Peru Soles	CDN \$ Equivalent
Cash	1,267,926	23,743	271,799	308,054
Amounts receivable	482,412	-	43,138	86,055
Accounts payable and accrued liabilities	<u>(936,528)</u>	<u>-</u>	<u>(23,891)</u>	<u>(145,376)</u>
	<u>813,810</u>	<u>23,743</u>	<u>291,046</u>	<u>248,733</u>

MAWSON RESOURCES LIMITED
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(Unaudited - Prepared by Management)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Based on the net exposures as of November 30, 2010, and assuming that all other variables remain constant, a 10% fluctuation on the Canadian dollar against the SEK, US dollar and Peru Soles would result in the Company's net loss being approximately \$23,000 higher (or lower).

12. 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.

13. SUPPLEMENTAL CASH FLOW INFORMATION

During the six months ended November 30, 2010 and 2009 non-cash activities were conducted by the Company as follows:

	2010 \$	2009 \$
Operating activity		
(Decrease) increase in accounts payable and accrued liabilities	<u>49,108</u>	<u>(100,462)</u>
Investing activity		
Expenditures on unproven mineral interests	<u>(30,901)</u>	<u>100,462</u>
Financing activity		
Share issue costs	<u>(18,207)</u>	<u>-</u>

14. SUBSEQUENT EVENT

Subsequent to November 30, 2010, options to purchase 255,000 common shares were exercised for gross proceeds of \$188,600.

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED SCHEDULE OF UNPROVEN MINERAL INTERESTS

	Six Months Ended November 30, 2010				Year Ended May 31, 2010	
	Sweden		Finland	Peru		
	Uranium Projects	Other Projects	Uranium Projects	Gold Projects		
\$	\$	\$	\$	\$	\$	
BALANCE						
- BEGINNING OF PERIOD	4,107,055	7,191	1,528,432	10,776	5,653,454	5,265,296
EXPENDITURES						
Assays	-	-	-	13,723	13,723	-
Consulting	3,412	-	300,208	19,149	322,769	14,691
Database	-	-	-	-	-	2,060
Drilling	-	-	-	-	-	72,998
Exploration site	5,074	-	32,642	79,738	117,454	14,984
Field equipment	-	-	-	2,455	2,455	-
Field workers	-	-	-	11,303	11,303	-
Fuel	1,472	-	6,218	6,194	13,884	7,462
Geochemical	-	-	126,321	-	126,321	8,144
Geological	-	-	224,142	1,920	226,062	75,356
Logging	-	-	-	-	-	14,133
Maps	-	-	1,590	-	1,590	3,747
Salaries	15,744	-	113,716	80,135	209,595	54,576
Topography	-	-	-	2,873	2,873	-
Travel	15,463	-	41,970	11,825	69,258	27,837
VAT	-	-	-	33,403	33,403	-
Vehicle rental	-	-	27,639	18,647	46,286	21,925
	<u>41,165</u>	<u>-</u>	<u>874,446</u>	<u>281,365</u>	<u>1,196,976</u>	<u>317,913</u>
ACQUISITION COSTS						
Staking fees	-	-	-	100,898	100,898	10,776
Permits	30,417	-	-	-	30,417	1,514,892
Option payment	-	-	-	48,486	48,486	-
	<u>30,417</u>	<u>-</u>	<u>-</u>	<u>149,384</u>	<u>179,801</u>	<u>1,525,668</u>
	<u>71,582</u>	<u>-</u>	<u>874,446</u>	<u>430,749</u>	<u>1,376,777</u>	<u>1,843,581</u>
BALANCE BEFORE THE FOLLOWING	4,178,637	7,191	2,402,878	441,525	7,030,231	7,108,877
WRITE-OFF	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,455,423)</u>
BALANCE - END OF PERIOD	<u>4,178,637</u>	<u>7,191</u>	<u>2,402,878</u>	<u>441,525</u>	<u>7,030,231</u>	<u>5,653,454</u>