

**MAWSON**



**ANNUAL INFORMATION FORM**

**OF**

**MAWSON RESOURCES LIMITED**

1305 - 1090 West Georgia Street  
Vancouver, British Columbia  
V6E 3V7

**For the Year Ended May 31, 2013**

Dated: August 26, 2013

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## PRELIMINARY NOTES

### Financial Information

Incorporated by reference into this annual information form (“**AIF**”) are the audited consolidated financial statements and management’s discussion and analysis of Mawson Resources Limited (“we”, “us”, “our”, “Mawson” or the “Company”) for the year ended May 31, 2013, which are available under the Company’s profile at [www.sedar.com](http://www.sedar.com). We have prepared all financial information in this AIF in accordance with international financial reporting standards.

### Date of Information

All information in this AIF is as of May 31, 2013, unless otherwise indicated.

### Forward Looking Statements

Certain of the statements made and information contained in this AIF are “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws (collectively, “**Forward-Looking Information**”). All statements, other than statements of historical fact, that address activities events or developments that Mawson believes, expects or anticipates will or may occur in the future are Forward-Looking Information. Forward-Looking Information is often, but not always, identified by: the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect” and “intend”; statements that an event or result is “due” on or “may”, “will”, “should”, “could”, or “might” occur or be achieved; and, other similar expressions.

More specifically, Forward-Looking Information contained in this AIF includes, without limitation, statements concerning our plans at the Rompas project, the timing and amount of estimated future production and mine life, expected future prices of uranium and other minerals, mineral reserve and mineral resource estimates, estimated future exploration expenditures and other expenses for specific operations on the Rompas project, permitting time lines, requirements for additional capital and reclamation costs; all of which involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information.

Forward-Looking Information contained in this AIF is based on material factors and assumptions and is subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from the Forward-Looking Information. These include, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the availability of financing for activities when required and on acceptable terms, the accuracy of the interpretation of drill results and the estimation of mineral resources and reserves, the geology, grade and continuity of mineral deposits, the consistency of future exploration, development or mining results with our expectations, metal price fluctuations, the achievement and maintenance of planned production rates, the accuracy of component costs of capital and operating cost estimates, current and future environmental and regulatory requirements, favourable governmental relations, litigation risks, the availability of permits and the timeliness of the permitting process, the availability of shipping services, the availability of specialized vehicles and similar equipment, costs of remediation and mitigation, maintenance of title to our mineral properties, industrial accidents, equipment breakdowns, contractor’s costs, remote site transportation costs, materials costs for remediation, labour disputes, the potential for delays in exploration or development activities, timely completion of future National Instrument 43-101 *Standards of Disclosure*

for Mineral Projects (“NI 43-101”) compliant reports, timely completion of future feasibility studies, the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, continuing global demand for base metals, expectations and beliefs of management and other risks and uncertainties, including those described under “Risk Factors” as described below in this AIF. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. We provide no assurance that Forward-Looking Information will prove to be accurate. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities law, we undertake no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.

### Currency and Exchange Rates

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated. References to “U.S. dollars”, or “US \$” are to United States dollars, references to “SEK” are to Swedish Kronas and references to “EUR” are to Euros.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at various times.

Canadian Dollars to U.S. Dollars	Year Ended May 31		
	2013	2012	2011
Rate at end of period	US \$0.9672	US \$0.9663	US \$1.0322
Average rate for period	US \$0.9956	US \$0.9993	US \$0.9943
High for period	US \$1.0299	US \$1.0583	US \$1.0542
Low for period	US \$0.9599	US \$0.9430	US \$0.9381

The noon rate of exchange on May 31, 2013, as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Canadian \$1.00 equals US \$0.9672.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in Swedish Kronas in effect at various times.

Canadian \$ to Swedish Krona	Year Ended May 31		
	2013	2012	2011
Rate at end of period	SEK 6.4061	SEK 7.0225	SEK 6.3776
Average rate for period	SEK 6.6040	SEK 6.6697	SEK 6.7743
High for period	SEK 6.9881	SEK 7.1124	SEK 7.6805
Low for period	SEK 6.1576	SEK 6.2854	SEK 6.3171

The noon rate of exchange on May 31, 2013, as reported by the Bank of Canada for the conversion of Canadian dollars into Swedish Kronas was Canadian \$1.00 equals SEK 6.4061.

The Following table sets forth the rate of exchange for the Canadian dollar, expressed in Euros in effect at various times.

Canadian \$ to Euros	Year Ended May 31		
	2013	2012	2011
Rate at end of period	EUR 0.7448	EUR 0.7816	EUR 0.7180
Average rate for period	EUR 0.7729	EUR 0.7393	EUR 0.7388
High for period	EUR 0.8228	EUR 0.7835	EUR 0.8014
Low for period	EUR 0.7314	EUR 0.6991	EUR 0.6994

The noon rate of exchange on May 31, 2013, as reported by the Bank of Canada for the conversion of Canadian dollars into Euros was Canadian \$1.00 equals EUR 0.7448.

### Metric Equivalents

The following table lists conversion factors for converting metric into Imperial units of measure:

To Convert from Metric	To Imperial	Multiply by
Hectares	Acres	2.471
Metres	Feet	3.281
Kilometres	Miles	0.621
Tonnes	Tons	1.102
Grams/Tonne	Ounces (troy)/ton	0.029
Kilograms	Pounds	2.205

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated on March 10, 2004 under the *Company Act* (British Columbia). As a result of the enactment by the British Columbia legislature of the *Business Corporations Act* (British Columbia) (the “**BCA**”), the Company filed a transition application with the British Columbia Registrar of Companies on April 16, 2004 and transitioned under and became subject to the BCA. Our registered office, as well as our head office, is located at Suite 1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

### Intercorporate Relationships

The Company owns 100% of Mawson AB, a company incorporated in Sweden on November 1, 2005 and purchased as a shelf company on March 16, 2006. Mawson AB holds the Company’s projects in Sweden. On August 29, 2012, Mawson AB changed its name from Mawson Energi AB.

The Company also owns 100% of Mawson Oy, a company incorporated in Finland on November 7, 2011, which holds the Rompas project.

The Company owns 100% of Kay Metals Ltd. (“**Kay Metals**”), a company incorporated under the laws of Barbados, which the Company acquired pursuant to an acquisition agreement dated January 4, 2011. Kay Metals’ sole asset is a condominium in Lima, Peru.

The Company and its subsidiaries, Mawson AB, Mawson Oy and Kay Metals, are referred to collectively in this AIF as the “Company” or “Mawson”, and by such terms as “we”, “our(s)”, or “us”, as the context requires.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

#### *Financial Year Ended May 31, 2011*

On July 2, 2010 and September 2, 2010, the Company signed option agreements with arm’s-length parties, to acquire 100% of the stock of Altynor Peru Mining S.A.C. (“**Altynor Peru**”) by making payments totaling US\$600,000 of which US \$50,000 was paid and US \$550,000 was payable upon 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. The Company’s interest in Altynor Peru and the Alto Quemado Property were assigned to Darwin Resources Corp. (“**Darwin**”) pursuant to the Reorganization (as defined below). See “*Financial Year Ended May 31, 2012*”.

During fiscal 2011 the Company conducted a private placement of 7 million units, at \$0.79 per unit, for gross proceeds of \$5,530,000. The Company also received a total \$538,370 pursuant to the exercise of 1,018,500 stock options and \$778,500 pursuant to the exercise of 930,000 warrants.

#### *Financial Year Ended May 31, 2012*

In November and December 2011, the Company announced a series of transactions that would reorganize the business and capital structure of the Company into two separate public companies (the “**Reorganization**”) which involved, among other things, the spin-out of the Company’s Peruvian assets to Darwin, including its interest in Mawson Peru S.A.C., Altynor Peru and the Alto Quemado Property, a plan of arrangement (the “**Plan of Arrangement**”) with Darwin and the sale”) (the “**Uranium Assets Sale**”) of certain uranium assets to European Uranium Resources Ltd. (“**European Uranium**”).

On March 1, 2012, the Company announced the completion of the Uranium Assets Sale with European Uranium, under which, European Uranium acquired (i) all of the issued and outstanding shares of T&M Resources A.B. (“**T&M**”), title and interest in the Uranium Assets and (ii) indebtedness of T&M in the amount of SEK 14,019,466.81 (approximately, \$2,126,750) in exchange for 53,639,848 common shares of European Uranium (the “**EU Shares**”) which were subject to the consolidation of European Uranium’s common shares on a five for one basis on March 1, 2012. The EU Shares were distributed to Mawson shareholders on a pro rata basis under the Plan of Arrangement.

On March 30, 2012, the Company received shareholder approval on the Plan of Arrangement.

On April 5, 2012, the Company received final approval from the Supreme Court of British Columbia to proceed with the Plan of Arrangement.

On April 30, 2012, the Company and Darwin completed the Plan of Arrangement. Under the Plan of Arrangement, among other things, holders of common shares of the Company received one new common share of the Company, one-third of one Darwin common share and approximately one-fifth of one EU Share for each one old Mawson share held.

On May 3, 2012, the old Mawson shares were delisted from the TSX and the new Mawson shares commenced trading on the TSX under “MAW”.

Pursuant to the implementation of the Plan of Arrangement and the contractual rights attached to previously issued warrants, adjustments were made to the number and exercise price of warrants that were outstanding as at April 30, 2012, and as a result, 4,217,012 warrants previously issued at an exercise price of \$1.00 were amended to 4,920,667 warrants at an exercise price of \$0.857 and 3,295,000 warrants previously issued at an exercise price of \$1.20 were amended to 3,876,470 warrants at an exercise price of \$1.02.

During fiscal 2012, the Company received \$319,020 pursuant to the exercise of 553,500 warrants and \$30,000 pursuant to the exercise of 25,000 stock options.

### ***Financial Year Ended May 31, 2013***

On February 4, 2013, the Company announced the appointment of Dr. Nick Cook as the Company’s new Vice President of Exploration to be based in Finland to oversee the Company’s exploration activities in the Nordic Region. Mr. Terry Lees, who previously held the position of Vice President of Exploration, moved to the role of Principal Consulting Geologist for the Company with particular focus of searching for new gold and copper properties in Sweden.

During fiscal 2013, the Company received \$3,871,999 pursuant to the exercise of 3,747,058 warrants and \$49,200 pursuant to exercise of 110,000 stock options.

Subsequent to fiscal 2013, on August 2, 2013, the Company closed the first tranche (the “**First Tranche**”) of its 9,344,417 unit non-brokered private placement financing (the “**Placement**”) that was announced by the Company on July 17, 2013. Under the First Tranche closing, the Company issued 5,710,417 units at \$0.45 per unit for proceeds of \$2,569,687, each unit consisting of one common share of Mawson and one-half of one non-transferable common share purchase warrant (the “**Warrants**”). Each whole Warrant is exercisable to acquire one additional common share of Mawson at a price of \$0.65 until August 2, 2015.

Sentient Global Resources Fund IV, L.P. (the “**Sentient Fund**”), part of a group of funds which is an insider of Mawson (the “**Sentient Group**”), subscribed for 7,334,000 Units under the Placement for gross proceeds of \$3,300,300 (the “**Sentient Placement**”). Under the First Tranche closing, the Sentient Fund was issued 3,700,000 units. Closing of the remaining 3,634,000 units (the “**Second Tranche**”) to be issued to the Sentient Fund under the Sentient Placement will occur on such date as Mawson may determine after satisfaction of the Approval Condition (as defined below).

Assuming closing of the Sentient Placement and the exercise of all of the Warrants issued under the Sentient Placement, the Sentient Fund will be issued a total of 11,001,000 common shares, which is equal to approximately 19.6% of the common shares that were issued and outstanding on a non-diluted basis immediately prior to the announcement of the Placement. As a result, the TSX requires as a condition of its acceptance of the Second Tranche that prior specific approval of the Second Tranche by Disinterested Shareholders (as defined below) be obtained, which approval will be sought at a special meeting to be held on August 30, 2013 (the “**Approval Condition**”).

For the purpose of the Approval Condition, “**Disinterested Shareholders**” means the holders of common shares of Mawson excluding shares held by the Sentient Group and its funds and other affiliates and excluding votes attached to any common shares issued under the First Tranche closing.

The Sentient Group currently holds approximately 27.38% of the issued and outstanding common shares of Mawson on a non-diluted basis. Following closing of the Second Tranche, the Sentient Group will hold approximately 35.05% of the issued and outstanding common shares of Mawson on a partially diluted basis (taking into account the full exercise of the Warrants issued to the Sentient Fund in connection with the Sentient Placement only).

## **DESCRIPTION OF THE BUSINESS**

### **General**

The Company's principal focus is conducting exploration activities on its Rompas gold project in Finland. The Company currently has no operating mines or other revenue-producing mineral properties. We have been engaged in the search and evaluation of mineral properties for acquisition and further exploration and, if warranted, development.

As at the date of this AIF, the Company, including Mawson AB and Mawson Oy, had 14 employees/consultants - 10 full-time employees and consultants and 4 part-time employee and consultants. All aspects of our business require specialized skill and knowledge, including in the areas of exploration and mining, logistical planning and accounting.

We keep current with required and best practice environmental protection measures as part of our standard operating procedures in our exploration programs. As such we incur environmental protection costs as a component of operating expenditures and thus maintain our competitive position in the industry. As at the date of this AIF, the Company was not aware of any outstanding environmental liabilities on any of its properties.

The Company has continued to regularly meet all stakeholders including local groups, municipalities and administrative bodies to update them on the Company's work plans. For the most part the stakeholders have been supportive of the Company's work programs and how it has dealt with compliance issues, however there have been some objections and opposition to the Company's work plans and environmental efforts. The Company has been dealing with certain Finnish environmental authorities in regards to certain issues raised as a result of the Company's hand dug trenches at Rompas, Finland, completed during the 2010 and 2011 work programs. The first issue involves applying for specific permits to explore on decree-based areas, where exploration is a permitted act. The second issue involves claims that the Company's hand dug trenches from 2010 and 2011 have affected the nature values of an area. The Company's position is that its work programs have had no material impact on the nature values and the Company has engaged various third party studies to demonstrate this to be the case.

### **Risk Factors**

The Company's operations and financial performance are subject to various risks, as summarized below. The following risks do not necessarily comprise all of the risks to which Mawson is subject or will be subject to.

#### ***History of Net Losses; Financing Risks***

Mawson has a reasonable cash position at this time. There is no assurance that additional funding will be available to us for further exploration and development of our projects or to fulfill our obligations under any applicable agreements. Without additional financing, we may delay or postpone indefinitely the exploration and development of our projects, which may result in the loss of such properties.

If our exploration programs are successful, additional funds will be required for further exploration and development to place a property into commercial production. The only source of future funds presently available to us is through the issuances of debt and/or equity, or the offering by us of an interest in any of our properties to be earned by another party or parties carrying out further exploration or development thereof. There is no assurance such sources will be available on favourable terms or at all. If available, future equity financings may result in substantial dilution to current shareholders.

### ***Exploration and Mining Risks***

The successful exploration and development of mineral properties is speculative. Such activities are subject to a number of uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Most exploration projects do not result in the discovery of commercially mineable deposits. There is no certainty that the expenditures made or to be made by the Company in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of gold, copper or other mineralized materials in commercial quantities. While discovery of a deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. Many factors may affect production on mineral properties, such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations.

### ***Economic extraction of minerals from identified gold deposits may not be viable***

Whether a gold deposit will be commercially viable depends on a number of factors, including the particular attributes of a deposit, such as its size and grade; prevailing commodity prices; costs and efficiency of the recovery methods that can be employed; proximity to infrastructure; financing costs; and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of commodities and environmental protection. The effect of these factors cannot be accurately predicted but any combination of these factors may result in the Company not receiving an adequate return on its invested capital, if any, and/or may result in the Company being unable to develop one or more of its properties.

### ***Volatility and sensitivity to gold prices***

Mawson's future revenues are directly related to the world market prices of gold as its revenues will be derived primarily from gold mining, assuming that Mawson is able to develop one or more of its projects.

Gold prices can be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by numerous factors beyond Mawson's control. Factors that may affect the price of gold include industry factors such as: industrial and jewellery demand; the level of demand for gold as an investment; sales and purchases of gold; speculative trading; and costs of and level of global gold production by producers of gold. Gold prices may also be affected by macroeconomic factors, including: expectations of future rate of inflation; the strength of, and confidence in, the US dollar (the currency in which the price of gold is generally quoted); other currencies; interest rates; and global or regional, political or economic uncertainties.

If, after the commencement of commercial production, uranium and/or gold prices fall below the costs of production at Mawson's mines for a sustained period of time, it may not be economically feasible to continue production at such sites. This would materially and adversely affect production, profitability and Mawson's financial position. A decline in uranium and/or gold prices may also require Mawson to write down its mineral reserves and mineral resources, which would have a material adverse effect on its earnings, financial position and shareholder returns. Mawson's future profitability may be materially and adversely affected by the effectiveness of any hedging strategy. While Mawson currently does not hedge or forward sell any of its future uranium and gold production, should circumstances in future so warrant (including to obtain debt financing), Mawson may hedge, or forward sell, future production.

***Currency fluctuations may affect Mawson's margins***

Our exploration programs make us subject to foreign currency fluctuations and such fluctuations may materially affect our financial position and results. For example, metals are generally sold at prices stated in U.S. dollars, while costs incurred are paid in the currency of the country in which the activities are undertaken (Canada, Sweden and Finland in our case). Prior to the commencement of production, the strength or weakness of the U.S. dollar affects our financial condition to the extent that certain liabilities may require payment in U.S. dollars from time to time. If we commence production at any of our properties and generate revenues, a weak U.S. dollar relative to the other currencies could impair our financial results since smelters pay for concentrate in U.S. dollars while the majority of operating costs would be in the currency of the country in which the activities are undertaken.

***Compliance with and changes to current environmental and other regulatory laws, regulations and permits governing operations and activities of gold exploration companies, or more stringent interpretation, implementation, application or enforcement thereof, could have a material adverse impact on the Company***

Mining and refining operations and exploration activities, refining and conversion in Sweden and Finland, are subject to extensive government regulation. Such regulations relate to production, development, exploration, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mines decommissioning and reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing and constructing. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact the Company's decision to proceed with exploration or development or that such laws or regulations may result in the Company incurring significant costs to remediate or decommission properties which do not comply with applicable environmental standards at such time. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its operations. However, there can be no assurance that all permits which the Company may require for the conduct of uranium exploration operations will be obtainable or can be maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any gold exploration project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in gold exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

### ***Permitting and Other Regulatory Requirements***

Our current activities, including any exploration and development activities and commencement of production on our properties, require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. We provide no assurance that we will obtain, on reasonable terms or on a timely basis, any of the permits we require for exploration, construction of mining facilities and conduct of mining operations, or that such laws and regulations would not have an adverse effect on any mining project that we may undertake.

As our principal project is in Finland, we must comply with the applicable laws, regulations and policies of such country and may face additional risks related to changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits and increased financing costs. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in our activities, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations, and permits may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. We are not currently covered by any form of environmental liability insurance.

Existing laws, regulations and permits, and any amendments thereof, governing operations and activities of mining companies, or more stringent implementations thereof, could have a material adverse impact on us and cause such events as increases in exploration and development expenditures or require abandonment or delays in development of existing and new mining properties.

### ***Environmental Risks***

Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of a property. We are not currently covered by any form of environmental liability insurance. To the extent that the Company is subject to environmental liabilities, the payment of such liabilities would reduce otherwise available earnings and could have a material adverse effect on the Company. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on us. In addition, the Company does not have coverage for environmental losses and other risks. Compliance with applicable environmental laws and regulations requires significant expenditures and increases mine development and operating costs.

### ***Title Matters***

The acquisition of title to mineral claims or mineral exploration contracts can be a very detailed and time-consuming process. Failure to comply with government requirements with respect to exploration

permits and maintenance of mining claims may result in a loss of title. Title to and the area of mining claims may be disputed. While we have diligently investigated title to all of our mineral tenures and continue to do so, we provide no guarantee that we hold title to any of our properties. Title to the mineral tenures may be affected by undisclosed or undetected defects.

If we do not meet funding and other ongoing requirements, we risk losing our interests in our exploration and development properties. Upon completion of exploration activities on our principal properties, we may not be able to obtain the necessary licenses to conduct mining operations, and thus would realize no benefit from such exploration activities.

### ***Uncertainty of Mineral Reserve Estimates and Mineralization Estimates***

There are numerous uncertainties inherent in estimating proven and probable mineral reserves and mineralization, including many factors beyond our control. The estimation of mineral reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimate. The Company provides no assurance that the volume and grade of mineral reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Declines in the market price of industrial minerals also may render mineral reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect mineral reserves.

### ***Insurance Risk***

We provide no assurance that insurance to cover the risks related to the Company's activities will be available at all or at economically-feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to us or to other companies in the mineral exploration and development industry. The payment of such liabilities would reduce our available funds. If we are unable to fund fully the cost of remedying an environmental problem, we might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

### ***Stage of Development and Limited Operating History***

All of our properties are in the exploration stage and we do not have an operating history. There can be no assurance that we will be able to develop and operate our properties, or any one of them, profitably, or that our activities will generate positive cash flow. As a result of our lack of operating history, we face many of the risks inherent in starting a new business. Industrial minerals exploration involves a high degree of risk. The amounts attributed to our interest in properties as reflected in our consolidated financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. Hazards such as unusual or unexpected geological formations and other conditions are involved.

### ***Dependence On Key Management***

Our development to date has largely depended on, and in the future will continue to depend on, the efforts of key management personnel, namely Michael Hudson (President and Chief Executive Officer). Loss of any of the Company's key management personnel could have a material adverse effect on the Company.

### ***Conflicts of Interest***

Our directors and officers may serve as directors or officers of other companies which may compete with us for mineral exploration projects. In addition, corporate opportunities giving rise to potential conflicts of interest may occur from time to time. In the event that such a conflict of interest arises at a meeting of our directors, a director who has such a conflict is required by law to abstain from voting with respect to certain such matters. Our directors are required by law to act honestly, in good faith and in the Company's best interests.

### ***Share Price Fluctuations***

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price of the common shares of Mawson fluctuated from a high of \$1.74 to a low of \$0.45 within the financial year ended May 31, 2013. We provide no assurance that continual fluctuations in price will not occur.

### ***Potential Dilution***

The issuance of our common shares upon the exercise of options and warrants will dilute the ownership interest of our current shareholders. We may also issue additional options and warrants or additional common shares from time to time in the future. If we do, the ownership interest of our shareholders could also be diluted.

### ***Political Risk***

We operate or hold investments in Scandinavia and Canada. The Company does not currently regard the political nature of these countries as a deterrent to operations or investment. Future government actions concerning economic policy or the operations and regulations of critical resources such as mines could have a significant effect on the Company. The Company does not have, nor does it plan to purchase, any type of political risk insurance, for any of the countries in which it operates.

### **Mineral Projects**

#### ***General***

The Company currently has one material property for the purposes of NI 43-101, the Rompas gold-uranium project in Finland.

#### ***Rompas, Finland***

A report entitled "Progress Report on the Geology, Mineralization and Exploration Activities on the Rompas-Rajapalot gold-uranium project, Peräpohja Schist Belt, Lapland, Finland" and dated August 26,

2013 (the “**Technical Report**”) was prepared for the Company by Michael Hudson, a non-independent Qualified Person (as defined under NI 43-101) and the Chairman, President and Chief Executive Officer and a director of Mawson and a Fellow of the Australasian Institute of Mining and Metallurgy. The Technical Report is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.mawsonresources.com](http://www.mawsonresources.com). The following disclosure relating to the Rompas project is an excerpt of the summary of the Technical Report, which has been updated only to conform defined terms to the AIF. The entire Technical Report is incorporated by reference herein, and readers are encouraged to review the complete text of the Technical Report available under Mawson’s profile at [www.sedar.com](http://www.sedar.com). References to the “author” in the following disclosure refer to Michael Hudson. A full list of references cited by the author is contained in the Technical Report.

**The following summary is not exhaustive. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Report contains the expression of the professional opinions of a Qualified Person (as defined under NI 43-101) based upon information available at the time of preparation of the Technical Report. The following disclosure, which is derived from the Technical Report, is subject to the assumptions and qualifications contained in the Technical Report.**

The Rompas-Rajapalot gold-uranium project is located in the Ylitornio municipality of northern Finland at 66.45°N and 24.75°E, approximately 50 kilometres (“**km**”) west of the Rovaniemi town. The initial discovery area, Rompas was discovered by AREVA Resources Finland Oy in September 2008 as part of regional uranium exploration. Limited exploration was undertaken until Mawson purchased the exploration assets of Areva in 2010 and subsequently defined more than 300 surficial with significant grade gold (“**Au**”) from vein style mineralization over a 6 km strike length. Diamond drilling in 2012 and early 2013 has produced numerous Au-uranium (“**U**”) intersections, of which 6 metres (“**m**”) at 617 grams per tonne (“**g/t**”) Au remains the highlight. Rajapalot is a new grassroots discovery made by Mawson, 8 km to the east of Rompas, where over a total of 52 outcrop grab samples to date average 152.8 g/t Au and range from 0.001 g/t to 2,817 g/t Au.

The Rompas property consists of 108 granted claims at Rompas and 13 granted claims at Rumavuoma totaling 10,580 hectares and 1,292 hectares respectively (Table 1). The Company has staked additional claim applications and reservations in the Rompas area for a total landholding of approximately 87,480 hectares with potential for gold.

The initial discovery area, Rompas, is a hydrothermal vein style system defined over a 6.0 km strike and 200-250 m width. Exploration on the project started in May 2010 and since acquiring the project in April 2010, Mawson has collected a total of 2,808 surficial soil and till samples over an area exceeding 55 km by 30 km. Sample spacing has ranged from 1 km to 250 m. Mawson’s geochemical rock chip, grab and channel sample database over this large area now contains 1,171 samples which average 212 g/t Au and 0.8% uranium oxide (“**U3O8**”). Of the 1,171 samples, 84 samples assay more than 100 g/t Au. Gold values range from 33,320 g/t Au to <0.001 g/t Au and U3O8 values from 49.5% to <4 parts per million (“**ppm**”).

In 2010 Issuer collected 80 channel samples that averaged 0.59 m @ 203.66 g/t Au and 0.86% uranium oxide. During 2011 the weighted average of all 74 channel intervals was 1.40 m @ 51.9 g/t Au and 0.13% U3O8. Channel samples are considered representative of the in-situ mineralization sampled, while grab samples are selective by nature and are unlikely to represent average grades on the property.

From mid-2011 to the end of the period Mawson has drilled 8,164 m in 90 holes at Rompas. This comprised 2,462.8 m in 29 drill holes at North Rompas; 2,436.2 m in 29 drill holes in the northern block at South Rompas; 2,504.3 m in 24 holes within the southern block at South Rompas; and 761.5 m in 8 drill holes at Northern Rajapalot. In August 2012, results from the first drill program at Rompas returned 6 m at 617 g/t Au in drill hole ROM0011 including 1 metre at 3,540 g/t Au and 1 m at 114.5 g/t Au in

drill hole ROM0015. These results confirmed the significance of the hundreds of significant grade surface occurrences that were channel sampled during 2010 and 2011.

A second drill program commenced in December 2012. At North Rompas the best results include 0.4 m at 395 g/t Au and 0.41% U3O8 from 41.0 m in drill hole ROM0052, the most southerly drill hole of the program; and 1.1 m at 9.8 g/t Au and 0.16% U3O8 from 78.5 m in drill hole ROM0053.

To date, the most encouragement has come from the northern block of South Rompas, with both prospect scale shallow drilling and trenching defining a coherent mineralized sequence. South Rompas is characterized by gold mineralization constrained to one specific host rock type (metabasalt) within a broader uranium halo. Within this halo the:

- Top 24% of all trench and drill assays above the lower cut of 0.5 g/t Au or 100 ppm U3O8, have a grade of 100 g/t or more and the top 24% of all intersections have a grade of 0.42% U3O8 or higher;
- Top 25% of drill intersections only have a grade of 7.7 g/t or higher;
- The highest grade drill hole intersection is 3,540 g/t Au over 1 m. The highest grade uranium intersection is 3.6% U3O8 over 0.6 m in a trench. The highest grade drill intersection grade of 0.7% U3O8 over 1.0 m;
- Mineralization in the vein system, to date, is characterized by narrow intersection widths of 1-2m with an average of 0.9 m thickness;
- Drilling, to date, has been shallow with 46% of intersections at 20 m down hole depth or less;
- 11 out of 13 holes drilled in 2013 winter drill program at South Rompas had at least one intersection that exceeded lower cut 0.5 g/t Au or 100 ppm U3O8.

Mawson is now evaluating further drilling or bulk sampling programs in order to best determine the gold grade in this nuggety and high-grade gold system.

In September 2012, Mawson announced a new discovery at the Rajapalot area located 8 km to the east of the Rompas trend. The style of mineralization at Rajapalot is predominately sulphidic and of a disseminated or replacement style, which differs from the vein style observed at the initial Rompas discovery area. Highlights from this work include prospecting grab samples taken from outcrop that returned 2,817 g/t Au, 2,196 g/t Au, 1,245 g/t Au, 933 g/t Au, 151 g/t Au and 135.5 g/t Au. A total of 52 grab samples from the Rajapalot prospect to date average 152.8 g/t Au and range from 0.001 g/t to 2,817 g/t Au.

Discovery grab samples from the Rajapalot project have returned gold mineralization from three distinct areas, namely the Palokas, Joki and Rumajärvi prospects. The areas were targeted with regional geophysics and surface soil geochemistry. Rumajärvi lies 1.5 km south of Palokas, while Joki is located 1 km southeast of Palokas. Each prospect area is characterized by minor outcrop on a topographic high, within a predominantly swampy terrain and therefore very little in situ bedrock has been located. Little outcrop has been found between the prospect areas. As the same mineralized rock types occur in outcrop, the glacial boulders sampled and reported here are considered to be proximal to their source. All samples are prospecting grab samples. These are selective by nature and are unlikely to represent average grades on the property.

In June 2013, the Company announced the discovery of the Kaita prospect. To date, the discovery consists of 26 surface mineralized sites (11 with visible gold) within an area defined by 415 m strike and 40 m width. A majority of the area has not yet been surface prospected. Kaita is parallel to and located 900 m south south-east of the South Rompas drill area and extends the Rompas vein trend to at least 6.5 km. Channel sampling has already commenced at Kaita and assays are awaited.

The Rompas project lies within the Peräpohja Schist Belt (PSB), a Paleoproterozoic supracrustal sequence of quartzites, mafic volcanics and volcanoclastics, carbonate rocks, black shales, mica schists and greywackes. It is generally interpreted as a continental rift fill sequence that failed to progress to oceanic crust. Metamorphism ranges from mid or upper greenschist in the south to amphibolite facies with some of the highest grade rocks exposed at the Rompas prospect area. The amount of strain varies greatly in the PSB, with low strain rocks described well to the south of Rompas preserving vesicles and pillow lavas in mafic rocks, whereas at South Rompas in particular, total strain is very high and relic internal structure is difficult to identify. Transposition of lithologic contacts is observed at both outcrop and regional scales (from interpretation of aeromagnetic data).

The host sequence to the Rompas mineralization comprise a package of amphibolite facies metamorphosed basalts, clastic sediments, carbonate rocks and reduced shales of the Paleoproterozoic Peräpohja Schist Belt in southern Lapland. Mineralized intersections to date are largely within metabasaltic rocks. Field geologists have successfully mapped the metabasalts at North and South Rompas and can recognize them quickly in drill core.

Detailed field mapping and logging of drill core indicate the gold and uraninite at Rompas is hosted by carbonate-quartz-calcsilicate veins and their related alteration selvages. The calcsilicate veins comprise carbonate, quartz, amphibole and pyroxene with highly variable amounts and distribution of uraninite and gold. Alteration of the host rock marginal to the veins comprises biotite, amphibole and some K-feldspar. The gold and uraninite are typically found intimately associated at North and South Rompas, although rare elevated U intersections contain little or no gold. The carbonate veins within the host clastic sequence appear identical to those within the metabasalts, indicating perhaps a structural or wall rock control on the precipitation of the gold and uraninite. Further work to identify the controls on mineralization is being conducted in association with the Geological Survey of Finland (GTK).

Importantly, about 90% of the Rompas-Rajapalot project area is below soil and till cover which, at up to 5m thick, is too thick for the discovery of near-surface radiometric occurrences and exploration is at its very earliest of stages.

At this very early stage of exploration, Mawson has now identified a mineral system that has deposited high-grade gold within an area approaching 10km by 10km. This is considered significant on a global scale.

A continuing program is recommended at Rompas with the main goals aimed to:

**1. Drill coherent gold mineralization**

- Drill test non-nuggety gold, i.e. Rajapalot targets outside Natura
- Determine controls of nuggety system

**2. Drill access to best targets across property**

- Define robust drill targets and gain drilling access to Rajapalot targets

**3. Continue to build the mineralization inventory, focus outside Natura**

- 98% of property under till cover

A program of at least 1,200 m of diamond drilling and 800 m of RC Drilling is proposed for the targets within the project areas for the remainder of 2013.

An exploration and company-wide budget to carry out these programs is estimated at \$2,500,000.

## **Swedish Projects**

Mawson holds other non-core projects, principally 15 granted claims in Sweden covering 53,815 hectares and considered prospective for copper and gold. In addition the company holds 9 claim applications for 43,850 hectares considered prospective for copper and gold. The Company is exploring all these properties in 2013 summer work season with a view to determining which, if any, of these properties should be retained.

## **INVESTMENTS**

### **Investments**

As of the date of this AIF, Mawson holds 3,500,000 common shares of Hansa Resources Limited and 75,000 common shares of Tumi Resources Limited (“**Tumi**”). On February 25, 2013, Tumi completed a consolidation of its share capital on a one new for four old basis. The share amount owned by Mawson has been adjusted to reflect the consolidation. On March 25, 2013, 75,000 Tumi warrants held by Mawson expired in full.

## **DIVIDENDS**

### **Dividends**

There are no restrictions which prevent us from paying dividends. We have not paid any dividends on our common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business. Our directors will determine if and when dividends should be declared and paid in the future, based on our financial position at the relevant time.

## **DESCRIPTION OF CAPITAL STRUCTURE**

### **Common Shares**

The Company is authorized to issue an unlimited number of common shares without par value. All of the issued common shares are fully-paid and non-assessable. As at August 26, 2013, 61,791,727 common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and attend all meetings of shareholders with each common share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of common shares are entitled to dividends if, as and when declared by the board of directors of the Company. The holders of common shares are entitled upon liquidation, dissolution or winding up of the Company to receive the remaining assets of the Company available for distribution to shareholders.

### **Convertible Securities**

The Company has warrants and stock options outstanding as of August 26, 2013, under which common shares may be issuable as follows:

**Warrants**

Exercise Price \$	Number	Expiry Date
0.857	4,920,667	May 12, 2014
0.65	<u>2,855,208</u>	August 2, 2015
	<u>7,775,875</u>	

**Stock Options**

Number Outstanding	Exercise Price \$	Expiry Date
1,768,000	0.82	October 18, 2013
150,000	2.35	February 14, 2014
220,000	1.72	August 2, 2014
100,000	1.30	March 5, 2015
125,000	1.24	May 29, 2015
50,000	1.49	August 9, 2015
<u>100,000</u>	0.65	May 1, 2016
<u>2,513,000</u>		

**MARKET FOR SECURITIES**

**Trading Price and Volume**

The Company's common shares are listed and posted for trading on the TSX under the symbol "MAW".

During our most recently-completed financial year, the monthly price range and volume of trading of our common shares on the TSX were as follows:

Common Shares (Trading Symbol: "MAW")				
Month	High (Cdn.\$)	Low (Cdn.\$)	Average Close (Cdn.\$)	Total Volume for Month
May 2013	0.64	0.49	0.60	169,000
April 2013	1.05	0.45	0.60	724,500
March 2013	1.25	1.02	1.05	452,000
February 2013	1.45	1.16	1.21	559,800
January 2013	1.72	1.39	1.41	1,027,500
December 2012	1.55	1.30	1.55	619,200
November 2012	1.43	1.11	1.43	927,500
October 2012	1.48	1.15	1.26	624,400
September 2012	1.59	1.15	1.38	450,100
August 2012	1.63	1.24	1.49	625,800
July 2012	1.74	1.45	1.62	823,600
June 2012	1.74	1.40	1.68	1,007,700

## Prior Sales

There have been no issuances or grants during the fiscal year ended May 31, 2013 that have not been listed or quoted on the TSX.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

Our directors and executive officers are listed below. The number of common shares of the Company's that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by all directors and executive officers as a group as of the date of this AIF is 5,000,488 shares representing 8.09% of issued shares.

Name, Province/State and Country of Residence and Position with Mawson	Principal Occupation During Five Preceding Years <sup>(1)</sup>	Duration and Term of Office
Michael Hudson of Elwood, Victoria, Australia, President, Chairman, Chief Executive Officer and a Director.	President & Chief Executive Officer of Mawson. Mr. Hudson provides geological and management services to the Company through his company Sierra Peru Pty Ltd.	Director and officer since March 30, 2004. <sup>(3)</sup>
Mark Saxon of Bendigo, Victoria, Australia, a Director.	President of Tasman Metals Ltd., a TSXV and NYSE-MKT listed company.	Director since March 30, 2005.
David Henstridge <sup>(2)(3)</sup> of Victoria, Australia, a Director.	Self-employed professional geologist.	Director since March 30, 2004.
Nick DeMare of British Columbia, Canada. Chief Financial Officer and a Director.	President of Chase Management Ltd. from 1991 to present.	Officer since December 19, 2007. Director since March 10, 2004.
Gillyeard Leathley <sup>(2)(3)</sup> of British Columbia, Canada, a Director.	Chief Operating Officer of Sunward Resources Ltd. since January 2011. Previously, independent mining consultant from 2000 to November 2010.	Director since December 17, 2007.
Colin Maclean <sup>(2)(3)</sup> of London, England, a Director.	Deputy Chairman and a founding partner of Sentient Group's resources funds. For the past 9 years he has stewarded Sentient Group's investments as a director of the investee companies under his direct responsibility.	Director since February 13, 2012
Nicholas Cook of Queensland, Australia. VP - Exploration	Vice President of Exploration for the Company's activities in Finland since January 2013. Previously, self-employed consulting geologist.	Officer since February 1, 2013.

Name, Province/State and Country of Residence and Position with Mawson	Principal Occupation During Five Preceding Years <sup>(1)</sup>	Duration and Term of Office
Mariana Bermudez of British Columbia, Canada. Corporate Secretary.	Corporate Secretary of Mawson. Employed by Mawson Resources Limited since April 2013. Previously, employed by Tumi since January 2004 and legal secretary with Farris, Vaughan, Wills and Murphy from September 2001 to January 2004.	Officer since March 30, 2004.
(1)	The information as to principal occupation, not being within the knowledge of Mawson, has been furnished by the respective directors and officers	
(2)	Denotes member of Audit Committee.	
(3)	Member of the Compensation, Corporate Governance and Nominating Committees.	

On June 22, 2012, the Company adopted Compensation Committee, Corporate Governance Committee and Nominating Committee Charters as well as an Environmental, Health and Safety Policy.

All directors hold office until the expiry of their terms of office or until they resign. Upon resignation a successor may be appointed by the board of directors. Directors may be removed by a resolution passed by not less than three quarters of the votes cast whereupon a successor may be elected by shareholders by ordinary resolution or appointed by the board of directors.

### Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, none of the directors or executive officers of the Company (or any of their personal holding companies) is, or during the ten years preceding the date of this AIF has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the proposed director was acting in that capacity; or
- (b) was subject to a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while the proposed director was acting in that capacity;

Except as disclosed below, no director or executive officer (or any of their personal holding companies) or, to the best of the Company's knowledge, shareholder holding a sufficient number of securities to materially affect the control of the Company:

- (a) is, or during the ten years preceding the date of this AIF has been, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or

- (b) has, within the ten years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Except as disclosed below, no director or executive officer (or any of their personal holding companies) or to the best of the Company's knowledge, shareholder holding a sufficient number of securities to materially affect the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable securityholder of the Company in deciding whether to vote for a proposed director.

Nick DeMare was an independent director of Andean American Resources Limited ("**Andean American**") until January 2011. On August 2, 2007, Andean American was issued a cease trade order by the British Columbia Securities Commission ("**BCSC**") for deficiencies in Andean American's continuous disclosure material related to its resource properties and for deficiencies in a previously filed NI 43-101 technical report. On October 22, 2007, Andean American filed an amended NI 43-101 technical report and issued a clarifying news release. The cease trade order was lifted and the shares resumed trading on October 24, 2007.

Nick DeMare is a director of Salazar Resources Limited ("**Salazar**"). On September 10, 2010, the BCSC issued a cease trade order against Salazar for failing to file a technical report on its Curipamba Project in Ecuador supporting its disclosure concerning mineral resource estimates on a news release dated February 25, 2009. Salazar filed a new technical report and the cease trade order was revoked by the BCSC on October 14, 2010 and its shares resumed trading on October 18, 2010.

### **Conflicts of Interest**

To our knowledge, there are no existing or potential material conflicts of interest between the Company or any of its subsidiaries, directors, officers or subsidiaries.

Our directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which we may participate, our directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia, our directors are required to act honestly, in good faith and in our best interests. In determining whether or not we will participate in a particular program and the interest therein to be acquired by us, the directors will primarily consider the degree of risk to which we may be exposed and our financial position at that time.

Our directors and officers are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the laws of British Columbia and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Our directors and officers are not aware of any such conflicts of interests.

## **AUDIT COMMITTEE**

### **Audit Committee**

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, we provide the following disclosure with respect to our audit committee:

#### ***Audit Committee Charter***

The text of the Audit Committee’s charter is attached as Schedule “A” to this AIF.

#### ***Composition of the Audit Committee***

The members of the Audit Committee are David Henstridge, Gillyeard Leathley and Colin Maclean, all of whom are independent members of the Audit Committee as defined by NI 52-110. A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the board of directors, reasonably interfere with the exercise of a member’s independent judgment. Each member of the Audit Committee is financially literate. An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

#### ***Relevant Education and Experience***

Each member of the Audit Committee has education and experience that is relevant to the performance of his responsibilities.

**Gillyeard Leathley** is a professional engineer with extensive experience in the mining industry. Mr. Leathley is also a director and audit committee member of various companies in the resource sector.

**David Henstridge** has a Bachelor of Science Degree (Honours) in Geology and over 40 years of experience working as a professional geologist and managing publicly trading companies in Australia and Canada. Mr. Henstridge also serves as a director and audit committee member of other publicly-listed resource companies.

**Colin Maclean** has a B.A (First Class Honours Geology) and is Deputy Chairman and a founding partner of the Sentient Group’s resources funds. For the past 9 years he has stewarded Sentient Group’s investments as a director of the investee companies under his direct responsibility.

**External Auditor Service Fees (By Category)**

The aggregate fees billed by our external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
May 31, 2013	\$49,250	\$27,375	\$17,300	\$Nil
May 31, 2012	\$45,450	\$24,425	\$Nil	\$Nil

- (1) The aggregate audit fees billed during the financial years.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements which are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

**LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Company is not a party to any legal proceedings or regulatory actions. The Company has continued to regularly meet all stakeholders including local groups, municipalities and administrative bodies to update them on the Company's work plans. For the most part the stakeholders have been supportive of the Company's work programs and how it has dealt with compliance issues, however there have been some objections and opposition to the Company's work plans and environmental efforts. The Company has been dealing with certain Finnish environmental authorities in regards to certain issues raised as a result of the Company's hand dug trenches at Rompas, Finland, completed during the 2010 and 2011 work programs. The first issue involves applying for specific permits to explore on decree-based areas, where exploration is a permitted act. The second issue involves claims that the Company's hand dug trenches from 2010 and 2011 have affected the nature values of an area. The Company's position is that its work programs have had no material impact on the nature values and the Company has engaged various third party studies to demonstrate this to be the case.

**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth herein and as described below, none of the directors or executive officers of the Company, nor any shareholder directly or indirectly beneficially owning, or exercising control or direction over, shares carrying more than 10% of the voting rights attached to the shares of the Company, nor an associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, in any transactions involving the Company that materially affected or would materially affect the Company or any of its subsidiaries.

As described under "General Development of the Business" above, the Sentient Fund, which forms part of the Sentient Group of funds, participated in the Sentient Placement. The Sentient Group currently holds 27.38% of the issued and outstanding Mawson common shares on a non-diluted basis. Colin MacLean, a director of Mawson and Deputy Chairman and a founding partner of the Sentient Group's resource funds, declared his interest and abstained from voting on Mawson's board of director's approval of the Sentient Placement.

## TRANSFER AGENTS AND REGISTRARS

The Company's registrar and transfer agent is Computershare Investor Services Inc. The registers of transfers of the Company's securities are held in Vancouver, British Columbia and Toronto, Ontario.

## MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, there are no material contracts the Company entered into within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

## INTERESTS OF EXPERTS

### Names of Experts

The following persons, firms and companies are named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* by the Company during, or relating to, our most recently-completed financial year and whose profession or business gives authority to the statement, report or valuation made by the person, firm or company.

Name	Description
D&H Group, LLP, Chartered Accountants	Provided an auditor's report dated August 26, 2013 in respect of our consolidated financial statements for the years ended May 31, 2013 and 2012, and an auditor's report dated August 28, 2012 in respect of our consolidated financial statements for the years ended May 31, 2012 and 2011.
John Nebocat, P. Eng	A "Qualified Person" and "Independent" as defined in NI 43-101, who prepared the technical report titled "Progress Report on the Geology, Mineralization and Exploration Activities on the Rompas Gold-Uranium Property Southern Lapland, Finland" dated November 2, 2011 (as amended and superseded and filed on SEDAR on August 24, 2012).
Michael Hudson, President, Chief Executive Officer, Chairman and a director of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy	A non-independent "Qualified Person" as defined in NI 43-101 who prepared the Technical Report and who prepared or reviewed certain technical information in this AIF, the press releases of the Company dated February 28, 2013, April 3, 2013, May 21, 2013 and June 26, 2013, and the management's discussion and analysis for the six months ended November 30, 2012, for the nine months ended February 28, 2013, and for the year ended May 31, 2013.

Name	Description
Terry Lees, Consultant Geologist to the Company. Vice President of Exploration of the Company from February 2011 to January 2013, and a Fellow of the Australian Institute of Geoscientists	A non-independent “Qualified Person” as defined in NI 43-101 who reviewed and verified the contents of the management discussion and analysis for the three months ended August 31, 2012, and the press releases of the Company dated May 31, 2012, July 10, 2012, August 20, 2012, September 4, 2012, October 29, 2012, December 4, 2012 and January 14, 2013.

### Interests of Experts

D&H Group LLP is the auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

John Nebocat, P. Eng, prepared the technical report titled “Progress Report on the Geology, Mineralization and Exploration Activities on the Rompas Gold-Uranium Property, Southern Lapland, Finland” dated November 2, 2011 as amended and restated and filed on SEDAR on August 24, 2012. To management’s knowledge, Mr. Nebocat does not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company (or any of its associates or affiliates).

Michael Hudson, B.Sc. (Hons.), GDipAppFin, FAusImm, MSEG, MAIG, is the President, Chief Executive Officer, Chairman and a director of Mawson and has prepared or reviewed certain technical information in this AIF, the Technical Report, the press releases of the Company dated February 28, 2013, April 3, 2013, May 21, 2013 and June 26, 2013, and the management’s discussion and analysis for the six months ended November 30, 2012, for the nine months ended February 28, 2013, and for the year ended May 31, 2013. As at today’s date, Mr. Hudson owns 1,552,119 common shares of the Company and has stock options to purchase up to 360,000 common shares of the Company.

Terry Lees is a consultant geologist for the Company who held the position of Vice President of Exploration for Mawson from February 2011 to January 2013 and is a Fellow of the Australian Institute of Geoscientists. Mr. Lees has reviewed and verified the contents of the management discussion and analysis for the three months ended August 31, 2012, and the press releases of the Company dated May 31, 2012, July 10, 2012, August 20, 2012, September 4, 2012, October 29, 2012, December 4, 2012 and January 14, 2013. To management’s knowledge, as at the date of this AIF, Mr. Lees owns 55,000 common shares of the Company and has stock options to purchase up to 175,000 common shares of the Company.

## ADDITIONAL INFORMATION

### Additional Information

Additional information relating to us may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in our Information Circular for our most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in our consolidated financial statements and Management’s Discussion & Analysis for our most recently-completed financial year, all of which are filed on SEDAR.

## SCHEDULE "A"

### MAWSON RESOURCES LIMITED

#### AUDIT COMMITTEE CHARTER

##### *Mandate*

The primary function of the audit committee (the "**Committee**") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

1. Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
2. Review and appraise the performance of the Corporation's external auditors.
3. Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

##### *Composition*

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

##### *Meetings*

The Committee shall meet a least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the CFO and the external auditors in separate sessions.

### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- (a) Review and update the Charter annually.
- (b) Review the Corporation's financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors and the Corporation's public disclosure of financial information extracted or derived from its financial statements.

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (b) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (d) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

### ***Financial Reporting Processes***

In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.

- (a) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (b) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (c) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- (d) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (e) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (f) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (g) Review certification process.
- (h) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

***Other***

Review any related-party transactions.