

# MAWSON

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NEWS RELEASE

DECEMBER 17, 2018

## MAWSON ANNOUNCES CONSTRAINED 424,000 OZ GOLD EQUIVALENT INFERRED MINERAL RESOURCE FOR THE RAJAPALOT PROJECT, FINLAND

**Resource Grade of 3.1 g/t Gold Equivalent Comprising 2.3 g/t gold, 430 ppm cobalt**

Vancouver, Canada – Mawson Resources Limited (“Mawson”) or (the “Company”) (TSX:MAW) (Frankfurt:MXR) (PINKSHEETS: MWSNF) is pleased to announce a maiden Inferred gold-cobalt Mineral Resource estimate for Raja and Palokas Prospects, at the 100% owned Rajapalot Project in Finland. The resource estimation was completed by [AMC Consultants Pty Ltd](#) (“AMC”) of Melbourne, Australia.

### Key Points:

- A pit and underground Constrained Inferred Mineral Resource of **424,000 ounces of gold at 3.1 g/t AuEq** (4.3 million tonnes at 2.3 g/t Au, 430 ppm Co) at 0.37 g/t AuEq cut-off open pit and 2 g/t AuEq underground was calculated (Table 1), within a combined Unconstrained Inferred Mineral Inventory for the Palokas and Raja prospects of **482,000 ounces gold equivalent (“AuEq”) at a grade of 2.4 g/t AuEq** (6.2 million tonnes at 1.7 g/t Au, 410 ppm Co) at 0.4 g/t AuEq cut-off (Tables 2, 3 and 4);
- The constrained resource demonstrates the **high-grade** of Rajapalot with **open-pittable grades of 2.8 g/t AuEq** (2.1 g/t Au and 420 ppm Co) and **underground grades of 5.2 g/t AuEq** (4.4 g/t Au and 520 ppm Co) (Table 1);
- Electromagnetic fixed-loop transient (“TEM”) and airborne VTEM<sub>plus</sub> (“VTEM”) surveys at least double the potential mineralization footprints at the Raja and Palokas prospects and form immediate targets (Figures 1-3) for the **15,000 metre resource expansion diamond drill program planned to start in January 2019** (subject to permitting);
- The resource has substantial potential to grow, with only 20% (800 metres) of the 4 kilometres known mineralized trend included within the maiden resource to relatively shallow depths (average depth of drilling 88 metres within 34.2 kilometres drilled to date at Rajapalot) (Figure 1);
- Establishes Rajapalot as a **significant and strategic gold-cobalt resource for Finland**. The unconstrained maiden inventory positions Rajapalot as **one of Finland’s current top three gold projects** by grade and contained ounces and **one of a small group of cobalt resources prepared in accordance with NI 43-101 policy within Europe**;

Mr. Hudson, Chairman and CEO, states, *“The Rajapalot gold-cobalt Inferred Mineral Resource estimate is a great start and an important milestone for both Mawson and Finland. The resource calculation demonstrates the robustness and high-grade of gold-cobalt mineralization, and highlights the potential for substantial resource expansion with recently surveyed electromagnetic conductors, that closely correspond with the resource area, more than doubling the size of the potential mineralized footprint. These form immediate drill targets for our January 2019 drill plans where five drill rigs plan to test progressive step-out targets from the resource (subject to permitting).”*

Resource estimations at Rajapalot have been completed for the Raja and Palokas prospects by AMC. The two prospects lie approximately 2.0 kilometres apart within the same geological trend (Figure 1). The calculation represents the first resource estimate for the Rajapalot Gold-Cobalt Project. AMC has reported both a “constrained” and “unconstrained” resource, where the constrained resource has used spatial restrictions of a Whittle™ pit at a gold price of USD \$1,250 per ounce and a cobalt price of \$30/lb. The gold equivalent (“AuEq”) value was calculated using the following formula:  $AuEq\ g/t = Au\ g/t + (Co\ ppm/608)$  with assumed prices of Co \$30/lb; and Au \$1,250/oz. AuEq varies with Au and Co prices.

Rajapalot is a significant and strategic gold-cobalt resource for Finland with the maiden resource positioned as one of Finland's current top three gold resources by grade and contained ounces and one of a small group of cobalt resources prepared in accordance with NI 43-101 policy within Europe. Finland refines half the world's cobalt outside China. The world's largest cobalt refinery is located 400 kilometres south of Rajapalot, where [CRU](#) estimates annual refining of 22,734 tonnes of cobalt (approximately 18% of world refined cobalt production), 90% of which was sourced from Chinese-owned mines in the Democratic Republic of Congo. Finland mines only 650 tonnes or 0.5% of the world's cobalt per year. The Rajapalot resource has the potential to support Finland's desire to source ethical and sustainable cobalt.

Mawson appreciates the overwhelmingly strong support it receives from local stakeholders. The Ylitornio municipality, which hosts the Rajapalot project, is a sparsely populated area with a decreasing population. The Rajapalot project could create many opportunities for both the current population and those in the future who will settle within the area.

The earlier stage Rajapalot project has potential to follow a similar 'life-cycle' path to the Agnico Eagle's Kittilä deposit located 150 kilometres to the north, which was discovered in 1986. The maiden resource at Kittilä was quoted after 11 years of exploration (285,000 ounces Au @ 5.9 g/t Au (in 1.5 Mt)). The project expanded dramatically with additional exploration to now host proven and probable mineral reserves containing 4.1 million ounces gold at 4.74 g/t gold (in 27 million tonnes). The deposit started life as an initial open pit followed by underground mining and is now Agnico Eagle's longest life mine ([Agnico Eagle](#)).

Table 1 Total constrained Inferred Mineral Resources Estimate as of December 14, 2018, at the cut-offs listed for constrained open pit and underground resources at Raja and Palokas.

Zone	Cut-off (AuEq)	Tonnes (kt)	AuEq (g/t)	Au (g/t)	Co (ppm)	AuEQ (koz)	Au (koz)	Co (tonnes)
Raia Pit	0.37	2,499	3.1	2.4	410	249	197	1,021
Raja UG	2.0	356	5.6	4.8	500	64	55	179
<b>Raja Total</b>		<b>2,855</b>	<b>3.4</b>	<b>2.7</b>	<b>420</b>	<b>312</b>	<b>252</b>	<b>1,201</b>
Palokas Pit	0.37	1,306	2.2	1.4	450	92	60	587
Palokas UG	2.0	96	3.6	2.7	560	11	8	54
<b>Palokas Total</b>		<b>1,402</b>	<b>2.3</b>	<b>1.5</b>	<b>460</b>	<b>104</b>	<b>69</b>	<b>640</b>
<b>Total Pit</b>	0.37	3,805	2.8	2.1	420	343	257	1,608
<b>Total UG</b>	2.0	452	5.2	4.4	520	76	63	233
<b>Total</b>		<b>4,257</b>	<b>3.1</b>	<b>2.3</b>	<b>430</b>	<b>424</b>	<b>320</b>	<b>1,841</b>

Table 2: Total unconstrained Inferred Mineral Inventory estimates as of December 14, 2018, at different AuEq g/t cut-off grades for the combined Raja and Palokas prospects

Cut-off (AuEq)	Tonnes (kt)	AuEq (g/t)	Au (g/t)	Co (ppm)	AuEq (koz)	Au (koz)	Co (tonnes)
0.2	6,335	2.4	1.7	402	485	347	2,548
0.4	6,156	2.4	1.7	410	482	345	2,522
0.6	5,680	2.6	1.9	429	475	345	2,434
0.8	5,000	2.8	2.1	451	456	339	2,256
1.0	4,198	3.2	2.5	482	435	334	2,024
1.2	3,555	3.6	2.8	501	416	321	1,781
1.4	3,046	4.0	3.2	513	395	313	1,564
1.6	2,600	4.5	3.6	522	380	304	1,357
1.8	2,222	5.0	4.2	527	360	300	1,170
2.0	1,904	5.6	4.7	533	340	290	1,016
2.2	1,721	6.0	5.1	534	331	281	918
2.4	1,518	6.5	5.6	533	318	274	810
2.6	1,374	6.9	6.0	539	306	266	740

2.8	1,229	7.5	6.6	539	294	259	662
3.0	1,123	7.9	7.0	550	284	251	617
3.2	1,009	8.4	7.5	565	273	244	570
3.4	932	8.9	8.0	563	266	239	525
3.6	846	9.5	8.6	554	258	233	469
3.8	789	9.9	9.0	545	251	228	430
4.0	728	10.3	9.5	547	242	223	398
4.2	671	10.9	10.1	530	236	217	356
4.4	631	11.3	10.5	526	230	213	332
4.6	586	11.9	11.0	516	223	207	302
4.8	543	12.5	11.6	514	217	202	279
5.0	521	12.8	12.0	511	214	201	266

### About the Rajapalot Project

The 100% owned gold-cobalt discovery in northern Finland hosts numerous hydrothermal gold-cobalt prospects drilled during the 2017-18 winter season within a 3 by 4 kilometre area. Mineralization at Raja and Palokas occur as replacement bodies with both structural and stratigraphic controls. Refer to Tables 1-4 below for resources by zone, which remain **open in multiple directions**. Step-out drilling with 5 drill rigs is planned from January 2019 at the Raja and Palokas prospects (subject to permitting).

To date a total of 34,234.4 metres have been drilled at Rajapalot (average depth of drilling 88.2 metres). A total of 32 holes for 6,813.4 metres and 87 holes for 8,354.3 metres (total 119 holes for 15,167.7 metres with an average depth of 127.5 metres) were used within the maiden resource estimation at Raja and Palokas respectively.

Preliminary metallurgical test work at Palokas suggests the potential for high gold recovery rates via gravity and cyanidation. Initial indications suggest the cobalt minerals present (cobaltite and cobaltian pentlandite) can float, and metallurgical test work is currently underway at the Geological Survey of Finland.

The Raja gold-cobalt resource forms 75% of the maiden resource and extends 575 metres down plunge, with an average depth of 100 metres and each of the 3 mineralized horizons averaging 10 metres width. Gold-cobalt mineralization is a potassic-iron type characterized by muscovite-biotite-chlorite quartz pyrrhotite-rich schist with subordinate albite, iron-magnesium amphiboles and tourmaline which is best developed to date at the Raja prospect. Gold and cobaltite along with scheelite, pyrite, chalcopyrite and bismuth tellurides accompany the silicates.

The Palokas gold-cobalt resource extends over separate two bodies (Palokas and South Palokas) with at least two mineralized horizons in each. The dimensions of the Palokas resource are 240 metres of strike, depth of 300 metres and 20 metres width. The dimensions of the South Palokas resource are 180 metres of strike, depth of 220 metres and width up to 20 metres. Mineralization forms within a retrograde mineral alteration assemblage includes chlorite, iron-magnesium amphiboles, tourmaline and pyrrhotite commonly associated with quartz veining. Subordinate almandine garnet, magnetite and pyrite occur with bismuth tellurides, scheelite, ilmenite, gold and one of cobaltite or cobalt pentlandite.

A fixed-loop transient electromagnetic ("TEM") corresponds closely with the resource block model at Raja and defines a strongly conductive body that extends 550 metres down plunge beyond the maiden resource. This conductive body more than doubles the potential Raja mineralization footprint to more than 1 kilometre (Figures 1 & 2) down plunge and the conductor remains open down plunge to the NNW. Earlier stage airborne VTEM<sub>plus</sub> electromagnetic ("VTEM") data shows a conductive body which more than doubles the Palokas potential mineralized footprint to 450 metres below the surface (Figure 3). TEM surveying to better define conductors continues at site today, at Raja to map the northern extension of the conductive body and will then continue to map strong VTEM anomalies (Figure 1) along the 3 kilometre trend from the Rumajärvi, Hut and Palokas prospects.

## Resource Methodology

1. Mineral Resource estimates follow the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions standards for mineral resources and reserves and have been completed in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument 43-101;
2. Reported tonnage and grade figures have been rounded from raw estimates to reflect the relative accuracy of the estimate. Minor variations may occur during the addition of rounded numbers;
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability;
4. The Mineral Resource Statement complies with the standards for reporting mineral resources as set out under CIM guidelines;
5. Constrained Resources are presented undiluted and in-situ and are considered to have reasonable prospects for eventual economic extraction;
6. Optimized open pit constrained resources are reported at a cut-off grade of 0.37 g/t AuEq; underground resources are reported at a cut-off grade of 2.0 g/t AuEq;
7. Gold equivalent "AuEq" = Au+Co/608 based on assumed prices of Co \$30/lb and Au \$1,250/oz;
8. Top cuts were applied to the composites at Palokas. For the low-grade gold domain within the Palokas deposit a gold top cap of 15.9 g/t was used. For the high-grade gold domain within the Palokas deposit a gold top cap of 50 g/t was used. No top caps were required for the Raja deposit.
9. A density value of 2.80 t/m<sup>3</sup> was applied to all lithologies;
10. The three-dimensional wireframe models were generated using AuEq shells. Estimation parameters were determined by variography; all zones were interpolated using Ordinary Kriging (OK);
11. Block dimensions were 25 x 10 x 5 metres (Raja) and 20 x 10 x 5 metres (Palokas) with sub-block sizes down to 5 x 2 x 1 metre and 4 x 2 x 1 metres blocks for Raja and Palokas respectively;
12. AMC created the Rajapalot Mineral Resource estimate using the drill results available to July, 2018 from the Raja and Palokas prospects.

Table 3: Total unconstrained Inferred Mineral Inventory estimates as of December 14, 2018, at different AuEq g/t cut-off grades for the Raja prospect.

Cut-off	Tonnes (kt)	AuEq (g/t)	Au (g/t)	Co (ppm)
0.2	3,738	2.9	2.2	403
0.4	3,720	2.9	2.2	405
0.6	3,576	3.0	2.3	416
0.8	3,243	3.2	2.5	434
1.0	2,786	3.6	2.9	464
1.2	2,444	4.0	3.2	480
1.4	2,203	4.3	3.5	493
1.6	1,926	4.8	3.9	508
1.8	1,661	5.3	4.5	516
2.0	1,414	5.9	5.1	529
2.2	1,270	6.4	5.5	531
2.4	1,098	7.1	6.2	530
2.6	987	7.6	6.7	538
2.8	870	8.3	7.4	537
3.0	805	8.7	7.8	549

3.2	719	9.4	8.5	566
3.4	660	10.0	9.1	563
3.6	593	10.8	9.9	550
3.8	547	11.4	10.5	535
4.0	503	12.0	11.2	536
4.2	460	12.8	12.0	512
4.4	435	13.3	12.5	504
4.6	406	13.9	13.1	487
4.8	375	14.7	13.9	482
5.0	357	15.2	14.5	476

Table 4: Total unconstrained Inferred Mineral Inventory estimates as of December 14, 2018, at different AuEq g/t cut-off grades for the Palokas prospect.

Cut-off	Tonnes (kt)	AuEq (g/t)	Au (g/t)	Co (ppm)
0.2	2,597	1.64	0.99	401
0.4	2,436	1.73	1.05	417
0.6	2,104	1.93	1.19	450
0.8	1,757	2.17	1.38	483
1.0	1,412	2.48	1.63	518
1.2	1,111	2.86	1.96	547
1.4	843	3.35	2.42	567
1.6	674	3.82	2.89	561
1.8	561	4.24	3.33	558
2.0	490	4.58	3.69	546
2.2	451	4.80	3.91	541
2.4	420	4.99	4.10	542
2.6	387	5.20	4.31	541
2.8	359	5.40	4.50	543
3.0	318	5.72	4.81	552
3.2	290	5.97	5.05	561
3.4	272	6.15	5.22	564
3.6	253	6.35	5.42	563
3.8	242	6.47	5.54	566
4.0	225	6.66	5.72	571
4.2	211	6.84	5.90	570
4.4	196	7.02	6.08	574
4.6	180	7.25	6.30	580
4.8	168	7.43	6.46	585
5.0	164	7.48	6.52	586

## Technical Background

A National Instrument 43-101 Technical Report has been filed on SEDAR.

Qualified Person – Mineral Resources: The Mineral Resources disclosed in this press release have been estimated by Mr. Rod Webster B.App.Sc. MAusIMM, MAIG of AMC and Dr. K Forrester CEng, MICHemE, MAusIMM (QP Metallurgy) of Arn Perspective, both independent of Mawson. By virtue of their education and relevant experience, Mr. Webster and Dr. Forrester are “Qualified Persons” for the purpose of National Instrument 43-101. The Mineral Resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May, 2014). Both Mr. Webster and Dr. Forrester have read and approved the contents of this press release as it pertains to the disclosed Mineral Resource estimates.

The Qualified Person, Mr. Michael Hudson, Mawson's CEO, and a Fellow of the Australasian Institute of Mining and Metallurgy, has reviewed and verified the technical contents of this release.

## About Mawson Resources Limited (TSX:MAW, FRANKFURT:MXR, PINKSHEETS:MWSNF)

[Mawson Resources Limited](#) is an exploration and development company. Mawson has distinguished itself as a leading Nordic Arctic exploration company with a focus on the flagship Rajapalot gold-cobalt project in Finland.

On behalf of the Board,

### Further Information

[www.mawsonresources.com](http://www.mawsonresources.com)

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## Forward-Looking Statement

This news release contains forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, “forward-looking statements”). All statements herein, other than statements of historical fact, are forward-looking statements. Although Mawson believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or are those, which, by their nature, refer to future events. Mawson cautions investors that any forward-looking statements are not guarantees of future results or performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company's expectations regarding resource calculations, the timing and successful completion of planned drill programs, results from these programs varying from expectations, capital and other costs varying significantly from estimates, changes in world metal markets, changes in equity markets, delays in obtaining results, equipment failure, unexpected geological conditions, local community relations, dealings with non-governmental organizations, delays in operations due to permit grants, environmental and safety risks, and other risks and uncertainties disclosed under the heading “Risk Factors” in Mawson's most recent Annual Information Form filed on [www.sedar.com](http://www.sedar.com). Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Mawson disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

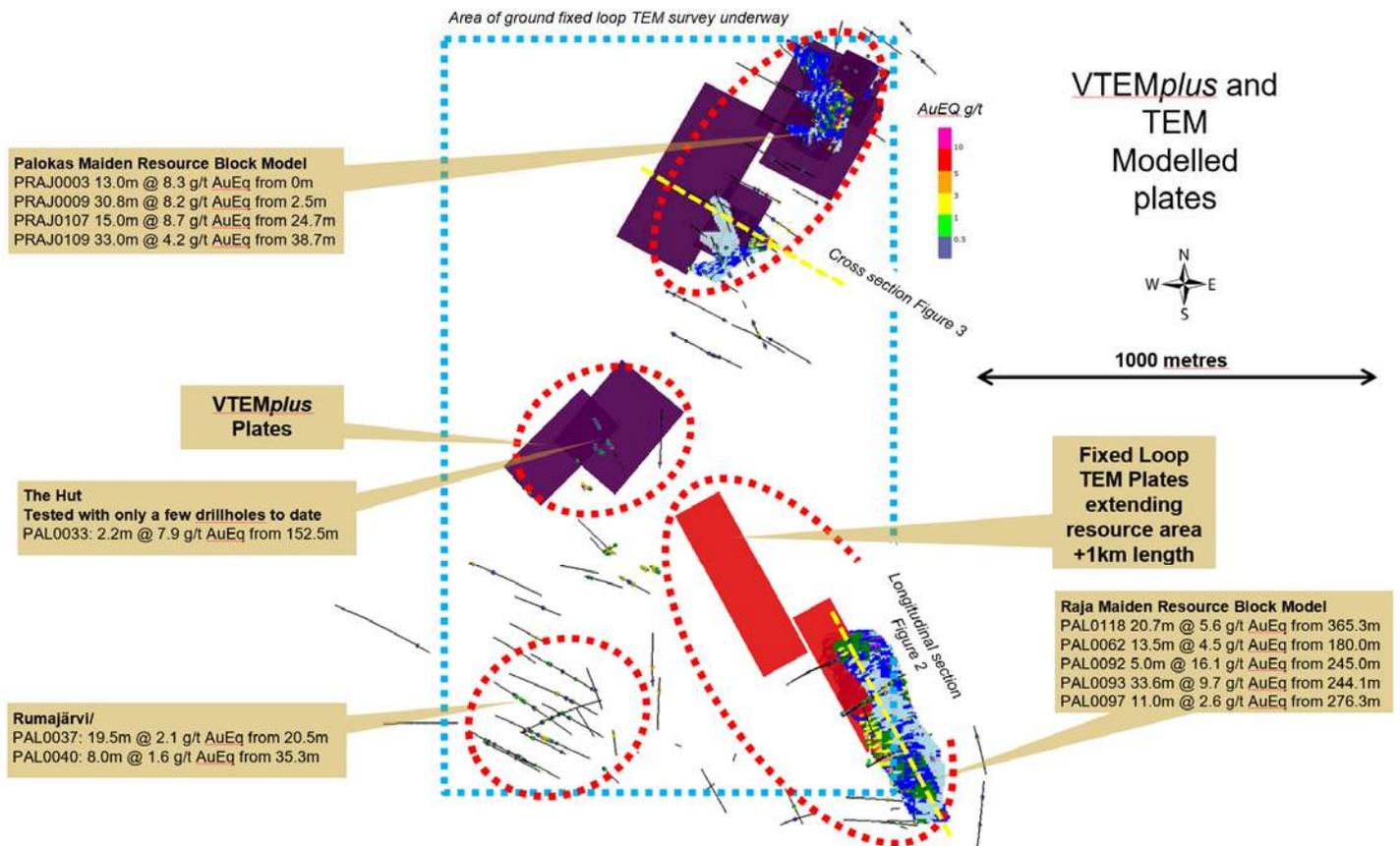


Figure 1: Plan view of resource block models at Raja and Palokas showing resource area covers <20% (800 metres) of 4 kilometres mineralized trend (highlighted by red ellipses) from Palokas to Raja. Electromagnetic fixed loop TEM (red) and VTEMplus (grey) conductive plates from geophysical surveys at least doubles the potential mineralization footprint at Raja and Palokas.

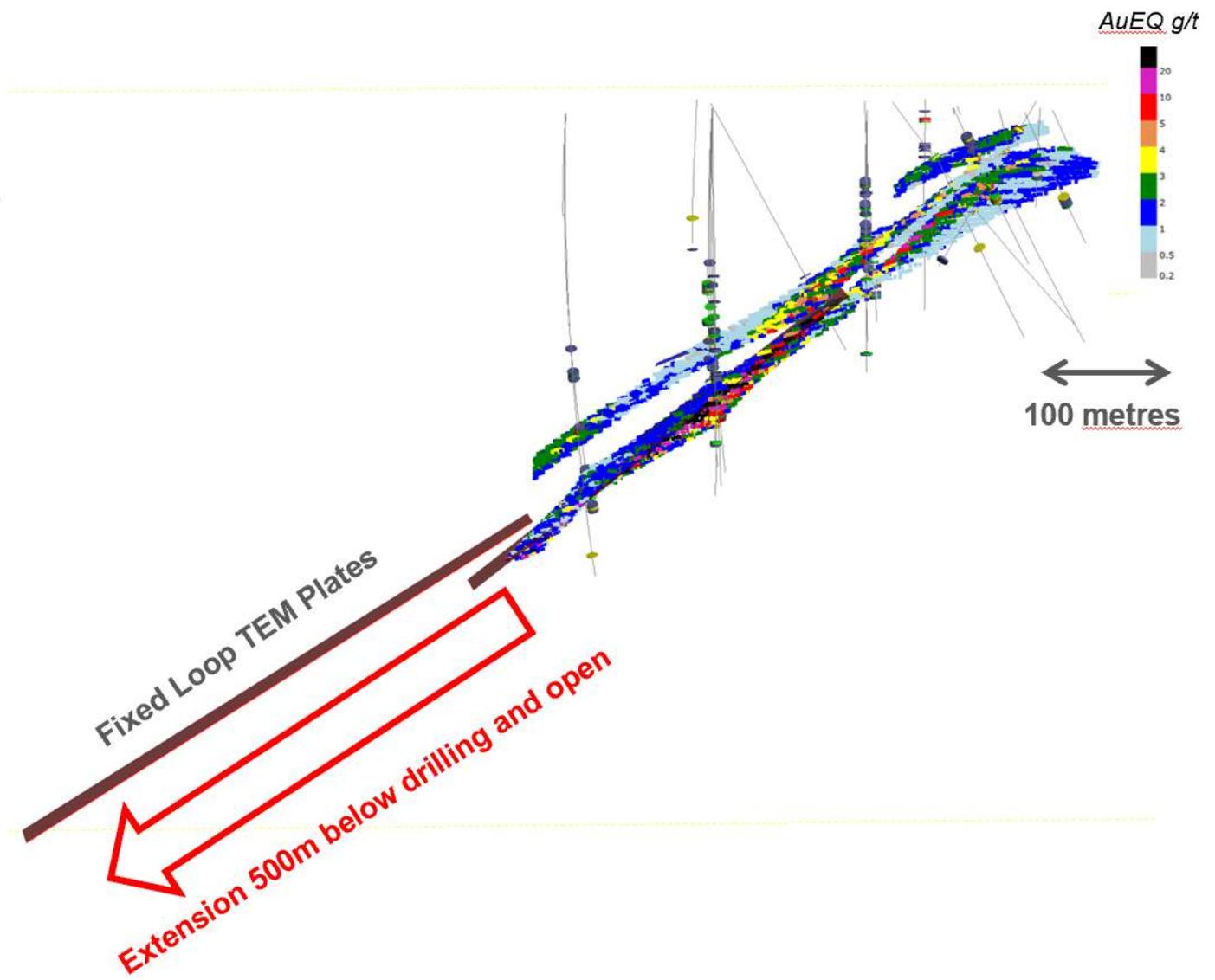


Figure 2: Longitudinal section view (looking north east) of resource block at Raja showing TEM (brown) conductive plates at least doubling the potential mineralized footprint to 1 kilometre down plunge length.

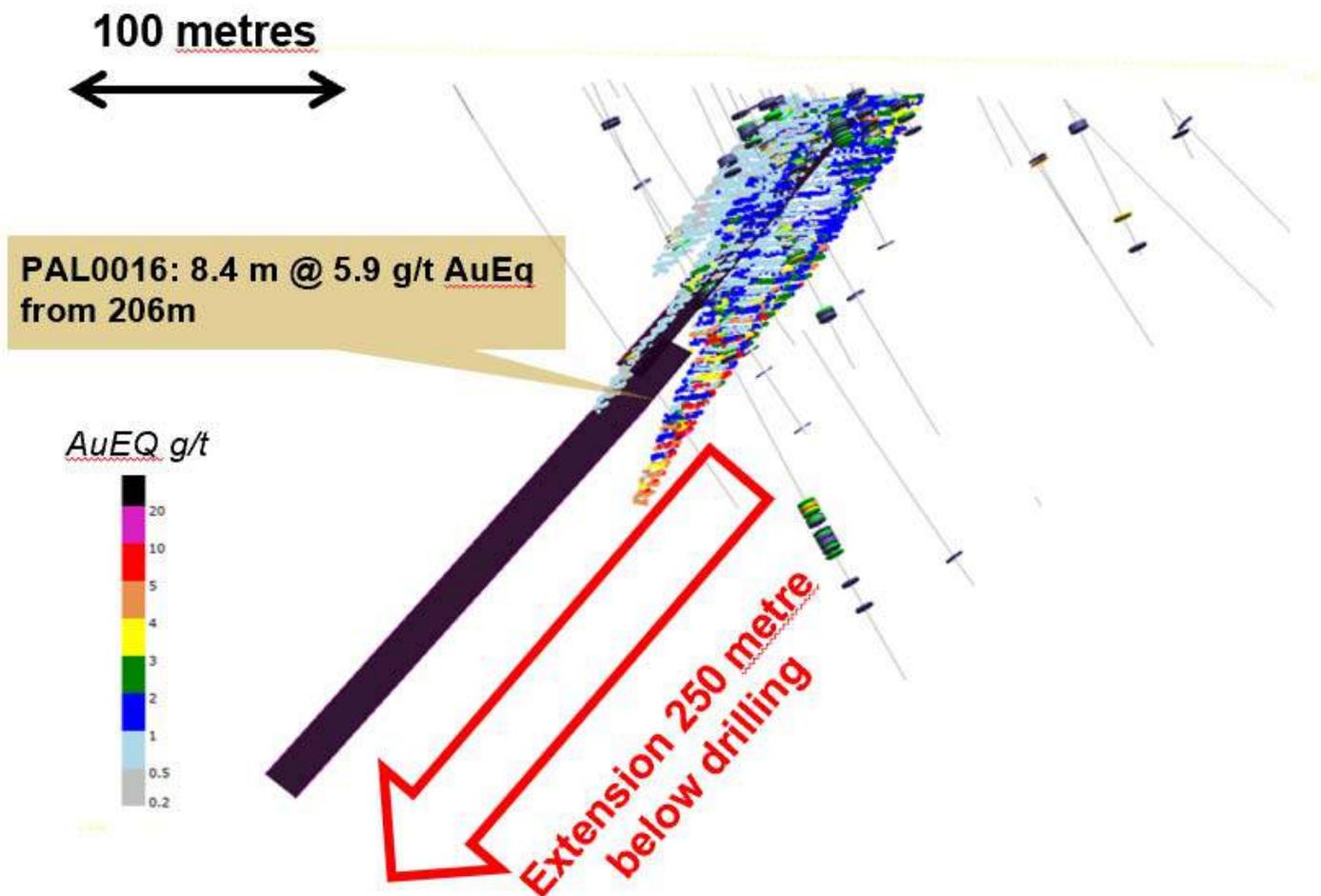


Figure 3: Cross section view (looking north east) of resource block at Palokas showing VTEMplus (dark purple) conductive plates at least doubling the potential mineralized footprint to a total depth of 450 metres down dip. TEM surveying continues at site, to define sources of the strong VTEM anomalies along the 2 kilometre trend from the Rumajärvi, Hut and Palokas prospects.