
MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
AUGUST 31, 2009

**MANAGEMENT'S COMMENTS ON UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Mawson Resources Limited for the three months ended August 31, 2009, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS

	August 31, 2009	May 31, 2009
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	11,125,673	11,532,301
Amounts receivable	68,145	121,460
Prepaid expenses	<u>27,386</u>	<u>18,692</u>
	11,221,204	11,672,453
INVESTMENTS (Note 3)	648,190	1,312,389
CAPITAL ASSETS , net of accumulated depreciation \$143,874 (May 31, 2009 - \$129,873)	183,841	191,497
UNPROVEN MINERAL INTERESTS (Note 4)	<u>4,817,015</u>	<u>5,265,296</u>
	<u><u>16,870,250</u></u>	<u><u>18,441,635</u></u>
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>93,445</u>	<u>245,984</u>
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL (Note 5)	23,390,751	23,390,751
CONTRIBUTED SURPLUS (Note 7)	3,553,105	3,550,917
DEFICIT	(9,215,924)	(8,377,089)
ACCUMULATED OTHER COMPREHENSIVE LOSS	<u>(951,127)</u>	<u>(368,928)</u>
	<u>16,776,805</u>	<u>18,195,651</u>
	<u><u>16,870,250</u></u>	<u><u>18,441,635</u></u>

APPROVED BY THE DIRECTORS

"Michael Hudson" , Director

"Nick DeMare" , Director

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

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF
LOSS AND COMPREHENSIVE LOSS

	Three Months Ended	
	August 31,	
	2009	2008
	\$	\$
EXPENSES		
Accounting and administrative	10,800	16,500
Audit	8,814	14,968
Corporate development	1,753	6,622
Depreciation	14,001	14,804
General exploration	19,708	96,025
Investor relations	15,000	15,000
Legal	243	12,494
Management fees	44,501	32,228
Office and sundry	8,340	3,997
Professional fees	40,600	23,500
Regulatory fees	3,381	10,307
Rent	4,277	2,700
Shareholder costs	1,403	2,662
Stock-based compensation (Note 6)	2,188	6,463
Transfer agent	1,259	1,240
Travel	18,927	15,967
	<u>195,195</u>	<u>275,477</u>
LOSS BEFORE THE FOLLOWING	<u>(195,195)</u>	<u>(275,477)</u>
OTHER ITEMS		
Interest and other income	6,950	89,156
Foreign exchange	26,036	(17,760)
Unrealized loss on held-for-trading investments	(82,000)	-
Write-down of unproven mineral interests (Note 4)	(594,626)	-
	<u>(643,640)</u>	<u>71,396</u>
NET LOSS FOR THE PERIOD	(838,835)	(204,081)
OTHER COMPREHENSIVE LOSS	<u>(582,199)</u>	<u>(300,000)</u>
COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(1,421,034)</u></u>	<u><u>(504,081)</u></u>
LOSS PER SHARE - BASIC AND DILUTED	<u><u>\$(0.04)</u></u>	<u><u>\$(0.01)</u></u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	<u><u>38,000,555</u></u>	<u><u>36,500,555</u></u>

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

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT AND
ACCUMULATED OTHER COMPREHENSIVE LOSS

	Three Months Ended	
	August 31,	
	2009	2008
	\$	\$
DEFICIT - BEGINNING OF PERIOD	(8,377,089)	(7,185,559)
NET LOSS FOR THE PERIOD	<u>(838,835)</u>	<u>(204,081)</u>
DEFICIT - END OF PERIOD	<u><u>(9,215,924)</u></u>	<u><u>(7,389,640)</u></u>
ACCUMULATED OTHER COMPREHENSIVE LOSS		
- BEGINNING OF PERIOD	(368,928)	-
UNREALIZED LOSS ON INVESTMENTS	<u>(582,199)</u>	<u>(300,000)</u>
ACCUMULATED OTHER COMPREHENSIVE LOSS		
- END OF PERIOD	<u><u>(951,127)</u></u>	<u><u>(300,000)</u></u>

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

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	August 31,	
	2009	2008
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the period	(838,835)	(204,081)
Adjustment for items not involving cash		
Depreciation	14,001	14,804
Stock-based compensation	2,188	6,463
Unrealized loss on held-for-trading investments	82,000	-
Write-down of unproven mineral interests	594,626	-
	<u>(146,020)</u>	<u>(182,814)</u>
Decrease in amounts receivable	53,315	196,459
Decrease (increase) in prepaid expense	(8,694)	402
Decrease in accounts payable and accrued liabilities	<u>(52,077)</u>	<u>(122,526)</u>
	<u>(153,476)</u>	<u>(108,479)</u>
INVESTING ACTIVITIES		
Expenditures on unproven mineral interests	(246,807)	(440,783)
Proceeds on disposition of unproven mineral interests held for sale	-	250,000
Purchase of capital assets	<u>(6,345)</u>	<u>(7,362)</u>
	<u>(253,152)</u>	<u>(198,145)</u>
DECREASE IN CASH AND CASH EQUIVALENTS		
DURING THE PERIOD		
	(406,628)	(306,624)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>11,532,301</u>	<u>12,321,736</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>11,125,673</u>	<u>12,015,112</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash	595,752	907,176
Short-term deposits	<u>10,519,921</u>	<u>11,107,936</u>
	<u>11,125,673</u>	<u>12,015,112</u>

SUPPLEMENTAL CASH FLOW INFORMATION (Note 12)

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

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

1. NATURE OF OPERATIONS

The Company is a resource company engaged in the acquisition and exploration of unproven mineral interests and is considered a development stage company as defined by Accounting Guideline No. 11 of the Canadian Institute of Chartered Accountants (“CICA”) Handbook. As at August 31, 2009, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Adoption of New Accounting Standards

Goodwill and Intangible Assets

The Accounting Standards Board (“AcSB”) issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

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

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

3. INVESTMENTS

August 31, 2009				
	Cost	Accumulated Comprehensive Gain (Loss) on Available- for-Sale Investment	Accumulated Gain (Loss) on Held-for- Trading Investment	Carrying Value
	\$	\$	\$	\$
Available-for-sale investments				
Common shares				
Hodges Resources Ltd. ("Hodges")	50,317	32,873	-	83,190
Hansa Resources Limited ("Hansa")	1,430,000	(975,000)	-	455,000
Tumi Resources Limited ("Tumi")	45,000	(9,000)	-	36,000
Held-for-trading investments				
Warrants				
Hansa	-	-	50,000	50,000
Tumi	-	-	24,000	24,000
	<u>1,525,317</u>	<u>(951,127)</u>	<u>74,000</u>	<u>648,190</u>
May 31, 2009				
	Cost	Accumulated Comprehensive Gain (Loss) on Available- for-Sale Investment	Accumulated Gain (Loss) on Held-for- Trading Investment	Carrying Value
	\$	\$	\$	\$
Available-for-sale investments				
Common shares				
Hodges Resources Ltd. ("Hodges")	50,317	37,072	-	87,389
Hansa Resources Limited ("Hansa")	1,430,000	(415,000)	-	1,015,000
Tumi Resources Limited ("Tumi")	45,000	9,000	-	54,000
Held-for-trading investments				
Warrants				
Hansa	-	-	120,000	120,000
Tumi	-	-	36,000	36,000
	<u>1,525,317</u>	<u>(368,928)</u>	<u>156,000</u>	<u>1,312,389</u>

(a) During fiscal 2009 the Company received 1,000,000 common shares of Hodges, at a fair value of \$50,317, from the disposition of certain of its unproven mineral interests, as described in Note 4(a). As at August 31, 2009, the quoted market value of the Hodges shares was \$83,190.

(b) The investment in Hansa comprises:

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

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. INVESTMENTS (continued)

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

As at August 31, 2009, the quoted market value of the 7,000,000 common shares of Hansa was \$455,000 and the fair value of the Hansa warrants was determined to be \$50,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 200%; a risk-free interest rate of 0.88%; and an expected life of 19 months.

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

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

As at August 31, 2009, the quoted market value of the common shares of Tumi was \$36,000 and the fair value of the Tumi warrants was determined to be \$24,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 167%; a risk-free interest rate of 0.88%; and an expected life of 19 months.

4. UNPROVEN MINERAL INTERESTS

	August 31, 2009			May 31, 2009		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Uranium Properties (a)						
Sweden	216,350	3,631,212	3,847,562	171,835	3,559,694	3,731,529
Finland	11,429	67,499	78,928	11,429	67,499	78,928
Spain	84,857	664,354	749,211	92,245	1,221,280	1,313,525
Other Properties (b)						
Sweden	<u>15,519</u>	<u>125,795</u>	<u>141,314</u>	<u>15,519</u>	<u>125,795</u>	<u>141,314</u>
	<u><u>328,155</u></u>	<u><u>4,488,860</u></u>	<u><u>4,817,015</u></u>	<u><u>291,028</u></u>	<u><u>4,974,268</u></u>	<u><u>5,265,296</u></u>

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

4. UNPROVEN MINERAL INTERESTS (continued)

(a) Uranium Properties

Sweden

As at August 31, 2009, the Company maintains a total of 27 uranium exploration permits, covering approximately 25,624 hectares, in northern Sweden.

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

Finland

As at August 31, 2009, the Company holds six claim applications, covering approximately 477 hectares, in various areas of Finland.

Spain

As at August 31, 2009, the Company holds two exploration permits, covering approximately 17,837 hectares, and has submitted one investigation permit application for 8,889 hectares.

During the three months ended August 31, 2009 the Company determined to write-off \$594,626 in exploration expenditures.

(b) Other Properties

As at August 31, 2009, the Company holds six exploration permits in northern Sweden, covering approximately 2,281 hectares.

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. SHARE CAPITAL

Authorized: unlimited common shares without par value

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

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at August 31, 2009 and 2008, and the changes for the three months ending on those dates is as follows:

	<u>2009</u>		<u>2008</u>	
	Warrants Outstanding	Weighted Average Exercise Price \$	Warrants Outstanding	Weighted Average Exercise Price \$
Balance, beginning and end of period	<u><u>750,000</u></u>	0.75	<u><u>2,299,999</u></u>	2.59

As at August 31, 2009, the Company had warrants outstanding to purchase 750,000 common shares at an exercise price of \$0.75, expiring May 6, 2011.

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION

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

No stock options were granted during the three months ended August 31, 2009.

During the three months ended August 31, 2009, the Company recorded compensation expense of \$2,188 (2008 - \$6,463) on the vesting of stock options previously granted.

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

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

The fair value of the vesting of certain of the stock options is estimated on the date of vesting using the Black-Scholes option pricing model with the following assumptions used for the vesting made during the three months ended August 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Risk-free interest rate	1.79%	3.31%
Estimated volatility	138%	91%
Expected life	2.75 years	2.25 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

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

A summary of the Company's stock options at August 31, 2009 and 2008, and the changes for the three months ending on those dates, is presented below:

	<u>2009</u>		<u>2008</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	3,523,250	1.25	3,613,250	1.40
Expired	<u>(763,250)</u>	0.72	<u>-</u>	-
Balance, end of period	<u><u>2,760,000</u></u>	1.38	<u><u>3,613,250</u></u>	1.40

The following table summarizes information about the stock options outstanding and exercisable at August 31, 2009:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
65,000	65,000	1.15	December 2, 2009
225,000	225,000	1.30	December 15, 2009
1,350,000	1,350,000	2.10	April 16, 2010
40,000	40,000	1.50	November 6, 2010
100,000	100,000	1.25	January 11, 2011
50,000	50,000	0.22	December 11, 2011
<u>930,000</u>	<u>903,750</u>	0.50	May 19, 2012
<u><u>2,760,000</u></u>	<u><u>2,733,750</u></u>		

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

7. CONTRIBUTED SURPLUS

The Company's contributed surplus at August 31, 2009 and 2008, and the changes for the three months ending on those dates is presented below:

	2009 \$	2008 \$
Balance, beginning of period	3,550,917	3,223,392
Stock-based compensation on stock options (Note 6)	<u>2,188</u>	<u>6,463</u>
Balance, end of period	<u><u>3,553,105</u></u>	<u><u>3,229,855</u></u>

8. RELATED PARTY TRANSACTIONS

(a) During the three months ended August 31, 2009 the Company:

- i) incurred \$36,000 (2008 - \$41,700) for accounting, administration, professional fees and rent provided by certain directors of the Company or private corporations owned by the directors;
- ii) incurred \$66,000 (2008 - \$66,000) for management fees provided by a private corporation owned by officers of the Company, of which \$21,499 (2008 - \$33,772) was capitalized to unproven mineral interests and \$44,501 (2008 - \$32,228) charged to management fees. The management agreement provides that in the event services are terminated without cause or upon a change of control of the Company, a termination payment of two years of compensation, at \$22,000 per month, is payable. If the termination had occurred on August 31, 2009, the amount payable under the agreement would be \$528,000; and
- iii) incurred \$3,000 (2008 - \$3,000) for shared administration and other costs with Tumi Resources Limited ("Tumi"), a public company with common directors and officer.

As at August 31, 2009 \$27,800 (2008 - \$48,800) was included in accounts payable and accrued liabilities.

(b) During fiscal 2009 the Company billed \$154,455 for shared office personnel to public companies with common directors. As at August 31, 2009, \$35,000 was included in amounts receivable for an amount due from a related party.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

MAWSON RESOURCES LIMITED
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9. SEGMENTED INFORMATION

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

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

	August 31, 2009				Total
	Corporate	Mineral Operations			
	Canada	Sweden	Spain	Finland	
	\$	\$	\$	\$	\$
Current assets	10,751,223	469,981	-	-	11,221,204
Investments	648,190	-	-	-	648,190
Capital assets	20,785	163,056	-	-	183,841
Unproven mineral interests	-	3,988,876	749,211	78,928	4,817,015
	<u>11,420,198</u>	<u>4,621,913</u>	<u>749,211</u>	<u>78,928</u>	<u>16,870,250</u>
	May 31, 2009				
	Corporate	Mineral Operations			Total
	Canada	Sweden	Spain	Finland	\$
	\$	\$	\$	\$	\$
Current assets	11,134,459	537,994	-	-	11,672,453
Investments	1,312,389	-	-	-	1,312,389
Capital assets	16,022	175,475	-	-	191,497
Unproven mineral interests	-	3,872,843	1,313,525	78,928	5,265,296
	<u>12,462,870</u>	<u>4,586,312</u>	<u>1,313,525</u>	<u>78,928</u>	<u>18,441,635</u>

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

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

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company prepares expenditure budgets which are regularly monitored and updated as considered necessary. To facilitate its exploration program and ongoing corporate, general and administrative overhead, the Company raises funds through private equity placements, public offerings and option agreements with third parties. As at August 31, 2009, the Company's financial liabilities consist of accounts payable and the accrued liabilities.

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk

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

Foreign Currency Exchange Rate Risk

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

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

At August 31, 2009, 1 Canadian dollar was equal to 6.50 SEK.

Balances are as follows:

	Swedish Kronors	CDN \$ Equivalent
Cash and cash equivalents	2,860,293	440,045
Amounts receivable	175,103	26,939
Prepaid expenses	20,854	3,208
Accounts payable and accrued liabilities	<u>(334,254)</u>	<u>(51,424)</u>
	<u><u>2,721,996</u></u>	<u><u>418,768</u></u>

Based on the net exposures as of August 31, 2009, and assuming that all other variables remain constant, a 1% fluctuation on the Canadian dollar against the SEK would be insignificant to the Company's net earnings.

11. CAPITAL MANAGEMENT

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

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

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

MAWSON RESOURCES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2009

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended August 31, 2009 and 2008 non-cash activities were conducted by the Company as follows:

	2009 \$	2008 \$
Operating activity		
(Decrease) increase in accounts payable and accrued liabilities	<u>(100,462)</u>	<u>175,402</u>
Investing activities		
Expenditures on unproven mineral interests	100,462	(175,402)
Disposition of unproven mineral interests	-	1,380,000
Investment	<u>-</u>	<u>(1380,000)</u>
	<u>100,462</u>	<u>(175,402)</u>

MAWSON RESOURCES LIMITED
INTERIM CONSOLIDATED SCHEDULE OF UNPROVEN MINERAL INTERESTS

	Three Months Ended August 31, 2009				Year Ended May 31, 2009	
	Sweden		Spain	Finland	Total	
	Uranium Projects	Other Projects	Uranium Projects	Uranium Projects		
	\$	\$	\$	\$	\$	
BALANCE - BEGINNING OF PERIOD	3,731,529	141,314	1,313,525	78,928	5,265,296	4,539,081
EXPENDITURES						
Consulting	-	-	27,726	-	27,726	349,364
Database	-	-	-	-	-	1,879
Drilling	-	-	-	-	-	50,403
Equipment rental	-	-	-	-	-	11,066
Exploration site	3,295	-	4,500	-	7,795	55,816
Fuel	-	-	-	-	-	22,909
Geochemical	1,662	-	-	-	1,662	23,112
Geological	22,003	-	5,474	-	27,477	279,443
Maps	-	-	-	-	-	5,744
Repairs and maintenance	-	-	-	-	-	2,836
Salaries	22,049	-	-	-	22,049	133,985
Travel	9,321	-	-	-	9,321	36,576
Vehicle rental	9,239	-	-	-	9,239	21,312
Recoveries	-	-	-	-	-	(61,829)
	<u>67,569</u>	<u>-</u>	<u>37,700</u>	<u>-</u>	<u>105,269</u>	<u>932,616</u>
ACQUISITION COSTS						
Permits	48,464	-	-	-	48,464	68,991
Recoveries	-	-	(7,388)	-	(7,388)	(124,356)
	<u>48,464</u>	<u>-</u>	<u>(7,388)</u>	<u>-</u>	<u>41,076</u>	<u>(55,365)</u>
INCURRED DURING THE PERIOD	<u>116,033</u>	<u>-</u>	<u>30,312</u>	<u>-</u>	<u>146,345</u>	<u>877,251</u>
BALANCE BEFORE THE FOLLOWING	3,847,562	141,314	1,343,837	78,928	5,411,641	5,416,332
WRITE-OFF	<u>-</u>	<u>-</u>	<u>(594,626)</u>	<u>-</u>	<u>(594,626)</u>	<u>(151,036)</u>
BALANCE - END OF PERIOD	<u><u>3,847,562</u></u>	<u><u>141,314</u></u>	<u><u>749,211</u></u>	<u><u>78,928</u></u>	<u><u>4,817,015</u></u>	<u><u>5,265,296</u></u>