

# MAWSON RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015

### Background

This discussion and analysis of financial position and results of operations is prepared as at April 10, 2015, and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the nine months ended February 28, 2015 of Mawson Resources Limited ("Mawson" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company 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 which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future 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 ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, Annual Information Form, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) or the Company's website at [www.mawsonresources.com](http://www.mawsonresources.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

### Company Overview

The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "MAW", on the Frankfurt Open Market under the trading symbol "MXR" and on the OTC Pinksheets under the symbol "MWSNF.PK".

Mawson is an exploration and development company with precious metal interests in the Nordic countries. Mawson's exploration focus is on the Rompas-Rajapalot gold and uranium project in Finland. Mawson is managed by resource industry professionals with significant exploration and capital market expertise.

Mawson is focussed on two target areas at Rompas-Rajapalot:

1. A primary target of disseminated gold mineralization at Rajapalot, where discovery of high grade and thick core sample results include 19.5m @ 7.4 g/t gold from 1.3 metres from PRAJ0006 and 5.4m @ 37.6 g/t gold from 2.5 metres from PRAJ0009 (including 1.0m @ 189.0 g/t gold from 6.9 metres) and 12.6m @ 3.6 g/t gold from 6.7 metres in PRAJ0005. This disseminated mineralization is coincident with geophysical anomalies that extend for more than 4 kilometres and has only been drilled to 30 metres maximum depth with a hand portable core sampler. In October 2014, new shallow core sample results 300m south of Palokas within the Rajapalot area, included 2.0m @ 9.1 g/t gold from 25.4 metres from PRAJ0070.
2. The Company's secondary target is the Rompas vein-style target area. The first drill program at South Rompas included the highlight of 6 metres at 617 g/t gold from 7 metres in drill hole ROM0011 which

includes 1 metre at 3,540 g/t gold from 11 metres depth. The second drill program, conducted over the winter (December 2012 - January 2013) confirmed the presence and variable continuity within metabasalts of high grade, nuggety gold at both North and South Rompas and included results from North Rompas of 0.4 m at 395 g/t gold and 0.41% uranium in drill hole ROM0052 and at South Rompas the top 24% all assays from trenches and drilling now grade 100 g/t or more.

At this very early stage of exploration, Mawson now has indications of a mineral system that has deposited high-grade gold within an area approaching 10 km by 10 km. This is significant on a global scale. An updated NI 43-101 technical report dated August 27, 2014 on the Rompas property is filed on [www.sedar.com](http://www.sedar.com).

## Directors and Officers

As of the date of this MD&A the directors and officers of the Company are as follows:

Mr. Mike Hudson	- Director, Chairman, President and Chief Executive Officer (“CEO”)
Mr. Nick DeMare	- Director, Chief Financial Officer (“CFO”)
Mr. Mark Saxon	- Director
Mr. David Henstridge	- Director
Mr. Colin Maclean	- Director
Mr. Gil Leathley	- Director
Mr. Gilbert Clark	- Director
Dr. Nick Cook	- Vice President of Exploration (“VP Exploration”)
Ms. Mariana Bermudez	- Corporate Secretary

## Exploration Projects

### Finland

During the period many of the Finland claims expired under the old Finnish mining act conditions and have been re-applied, and in some cases granted, under the new Finnish Mining Act, which came into force July 1, 2012. As at the date of this MD&A, the Company has one granted exploration permit (currently under one administrative appeal by a non-governmental organization) of 1,432 hectares at Rajapalot. The Company continues to work under the prior exploration claim conditions under an enforcement order at Rajapalot granted by the mining authority, which entitles exploration work to continue until the appeal process is dealt with. In addition, 13 granted claims at Rumavuoma totalling 1,292 hectares were also under appeal. The Company has staked 8 additional exploration permit applications in the Rompas area with potential for gold. In addition the Company holds 2 exploration permit applications and 9 claim reservations and 1 claim reservation application throughout Finland. Details are shown in the following table.

*Status of Mawson’s Claims in Finland*

	No. of Claims	No. of Exploration Permits	No. of Claim Reservations	Area (Ha)	Status
<b>Rompas – Rajapalot Trend</b>					
Rumavuoma*	13			1,292	Granted Claims
Kairamaat 2-3*		1		1,462	Granted Exploration Permit
Kairamaat 1		1		265	Extension/Exploration Permit
Kultamaat – Hirvimaa		1		4,202	Extension/Exploration Permit
Raja		1		890	Exploration Permit Application
Karsimaat	1			2,524	Extension/Exploration Permit
Petäjävaara		1		1,645	Exploration Permit Application
Kuusivaara		1		4,782	Exploration Permit Application
Kaitajärvi E_M_W		1		2,606	Exploration Permit Application
Petäjaskoski		1		3,031	Exploration Permit Application
<b>Finland Other</b>					
Finland Regional			9	117,740	Granted Reservations
Kompsakumpu		1		1,706	Exploration Permit Application
Metsäkylä		1		659	Exploration Permit Application
Vähäjoki		1		1,169	Reservation Application

\*Under administrative appeal

### *Rompas-Rajapalot Gold and Uranium Project*

The Rompas-Rajapalot project is a new discovery in Northern Finland where high-grade gold and uranium have been found within an area approaching 10 km by 10 km.

### *Rajapalot Disseminated Gold Project*

Rajapalot is located 8 kilometres to the east of the Rompas vein trend. The style of mineralization at Rajapalot is predominately sulphidic and of a disseminated or replacement style, which differs from the nuggety vein style observed at Rompas. Rajapalot is the primary target area for the Company.

Surface sample highlights from Rajapalot include prospecting grab samples taken from outcrop that returned 2,817 g/t gold, 2,196 g/t gold, 1,245 g/t gold, 933 g/t gold, 151 g/t gold and 135.5 g/t gold. A total of 52 grab samples from the Rajapalot prospect to date average 152.8 g/t gold and range from 0.001 g/t to 2,817 g/t gold. All samples are prospecting grab samples. These are selective by nature and are unlikely to represent average grades on the property.

Discovery grab samples from the Rajapalot project 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 kilometres south of Palokas, while Joki is located 1 kilometre 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.

In October 2013, Mawson announced the first core test of Rajapalot from the Palokas prospect. Drilling intersected 9 metres at 10.2 g/t gold from surface, including 3 metres at 27.5 g/t gold in hole PRAJ0003. Palokas is part of the Rajapalot area, located 7 kilometres east of our drilling in the vein style mineralization at Rompas. Further high grade, thick and near-surface core sample results in November 2013 and January 2014 included:

- 19.5m @ 7.4 g/t gold from 1.3 metres from PRAJ0006;
- 5.4m @ 37.6 g/t gold from 2.5 metres from PRAJ0009 (including 1.0m @ 189.0 g/t gold from 6.9 metres);
- 12.6m @ 3.6 g/t gold from 6.7 metres in PRAJ0005;
- 19.0m @ 2.3 g/t gold from 8.0 metres from PRAJ0022; and
- 8.7m @ 4.6 g/t gold from 16.9 metres from PRAJ0025.

Multi-element analyses from all core sample holes from the Palokas Prospect at Rajapalot (holes PRAJ0003 to PRAJ0025) shows consistently low uranium (weighted average through quoted intersections is 36ppm uranium and 5.2g/t gold) and high cobalt grades associated with gold mineralization. Cobalt also forms a broader halos around lower (>0.1 g/t) grade gold mineralized zones. The low uranium grades drilled at Palokas also support the concept of both gold-rich and uranium-rich styles occurring within the Rompas-Rajapalot mineral field.

In September 2014, the Company was permitted to drill across the entire Palokas trend at Rajapalot in Finland with a hand portable core sampler capable of drilling depths up to 35-40 metres below surface. The program consisted of 33 holes for 1160.5 metres with an average hole depth of only 35.1 metres. Four additional holes did not drill through to basement. The results extended drilled gold mineralization over 1.2 kilometres from Palokas. Across strike width of mineralization increased up to 120 metres, suggesting possible multiple horizons across strike (previous drilled thickness was 20 metres true width at Palokas). All discoveries are blind, and covered by 2-5 metre thick glacial till deposits, and are open along strike and at depth.

Highlighted intersections reported between December 2014 and March 2015 included:

- 2.0m @ 9.1 g/t gold from 25.4 metres from PRAJ0070; and
- 3.0m @ 5.1 g/t gold from 8.7 metres from PRAJ0073;
- 1.0m @ 14.7 g/t gold from 16.3 metres from PRAJ0072;
- 3.9m @ 3.2 g/t gold from 23.0 metres in hole PRAJ0076;
- 3.4m @ 2.0 g/t gold from 14.0 metres in hole PRAJ0080;
- 3.0m @ 1.4 g/t gold from 35.9 metres in hole PRAJ0080;
- 0.3m @ 49.6 g/t Au from 17.7 metres in hole PRAJ0097

The bulk weighted average of geochemical data show consistently low grade uranium within all intervals greater than 0.5 g/t gold with averages of 2.9 g/t gold and 26 ppm uranium for drill holes PRAJ0070-PRAJ0096. The true thickness of the mineralized interval is interpreted to be approximately 80% of the sampled thickness. Drilling was performed with a Company-owned and operated, hand portable, low impact rig, below 2-5 metres of glacial till overburden in the vicinity of gold bearing glacial boulders and subcrop.

In March 2015 the results from a pseudo-3D pole-dipole induced polarization (“IP”) and resistivity survey at Palokas defined a 600 metre long conductive anomaly extending down plunge from drilled near-surface gold mineralization (ie 19.5 metres @ 7.4 g/t gold from 1.3 metres depth. The thickness of the conductive body increases with depth and is open below the 250 metre investigative depth of the survey. The IP area surveyed commenced more than 250 metres north of Palokas to 500 metres south of the Palokas prospect. Gold at Palokas is associated with pyrrhotite which forms the conductive and chargeable anomaly associated with drilled gold mineralization and has been confirmed by petrophysics. The thickness of the conductive body increases with depth and is open below the 250 metre investigative depth of the survey. The body plunges south and has little or no surface expression where recent near-surface drilling has provided near-miss and thinner mineralized gold hits.

Geochemical sampling and shallow drilling at Rajapalot is also coincident with a versatile time domain electromagnetic (“VTEM”) geophysical conductor that extends for more than 500 metres through an area with <1% outcrop, and forms part of a 3.5 kilometre target horizon between basaltic and quartzitic rocks. In addition, gradient array IP, pole-dipole IP and ground magnetic surveys have been completed at Rajapalot. The geophysical surveys tested 5 kilometres of target horizon along strike from the drill area at Palokas. Interpretation of the surveys identified multiple near-surface and high priority targets that extend to depth immediately along strike, and extending up to 4 kilometres from the drilled high grade and thick drill results discovered from surface pole-dipole induced polarization geophysical anomalies extend beyond the 150 metre nominal depth limit of the survey.

Fine disseminated gold mineralization at Palokas occurs within calcsilicate-biotite-tourmaline-pyrrhotite rocks in a contact zone between mafic rocks and relatively oxidized quartzites. The true thicknesses of the mineralized intervals are interpreted to be approximately 80% of the sampled thickness.

During October 2014 the Company announced results from preliminary metallurgical testing on drill core from the Palokas prospect at the Rompas-Rajapalot gold project in Arctic Finland by SGS Mineral Services UK in Cornwall. Excellent gold extraction results of between 95% and 99% (average 97%) were obtained by a combination of gravity separation and conventional cyanidation. Gravity extraction for the four composites responded well with 26-48% gold extraction. Leaching was performed on the pulverised and blended tailings from the three size fractions after gravity extraction. Samples tested are not classified as refractory. Metallurgical test work indicates gold recovery and processing are potentially amenable to conventional industry standards with a viable flowsheet which could include crushing and grinding, gravity recovery, and cyanide leaching with gold recovery via a carbon-in-pulp circuit for production of onsite gold doré.

In March 2015, the Company took delivery of a new “Winkie” low impact portable diamond core sampler. This will allow testing to 120 metres down hole. Drilling will test beneath near surface drilling at the Palokas Prospect, where better results included 19.5 metres at 7.4 g/t Au in PRAJ0006. A short drill program of up to 5 drill holes down to a maximum of 120 metres, will be undertaken during the month of April 2015, and will recommence during summer conditions in August 2015 after the snow melt and bird nesting exclusion period.

#### *Rompas Vein Gold Project*

The initial discovery area, Rompas, is a hydrothermal vein style system defined over a 6.0 kilometres strike and 200-250 metres width. Exploration on the project started in May 2010. During that year, 80 channel samples averaged 0.59 metres at 203.66 g/t gold and 0.86% uranium and during 2011 the weighted average of all 74 channel intervals was 1.40 m at 51.9 g/t gold and 0.13 % uranium. Unrepresentative grab sample results include values up to 33,200 ppm gold and 56.6% uranium oxide at Rompas.

From mid-2011 to the end of the period Mawson has drilled 8,164.8 metres in 90 holes at Rompas, comprising 2,462.8 metres in 29 drill holes at North Rompas; 2,436.2 metres in 29 drill holes in the northern block at South Rompas; 2,504.3 metres in 24 holes within the southern block at South Rompas; and 761.5 metres in 8 drill holes at Northern Rajapalot.

In August 2012, results from the first drill program at Rompas returned 6 metres @ 617 g/t gold in drill hole ROM0011 including 1 metre @ 3,540 g/t gold and 1 metre @ 114.5 g/t gold in drill hole ROM0015. These results confirmed the significance of the hundreds of high-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 metres @ 395 g/t gold and 0.41% uranium from 41.0 metres in drill hole ROM0052, the most southerly drill hole of the program; and 1.1 metres @ 9.8 g/t gold and 0.16% uranium from 78.5 metres in drill hole ROM0053.

Drilling at the Kaita prospect at the most southern end of the Rompas vein system did not intersect mineralization of economic interest. A 13 diamond drill hole program for 784.2 metres campaign was conducted during September-October of 2013. The best diamond drill result was 1m @ 4.9 g/t gold from 49 metres in KD0009. Better surface diamond cut trench results from Kaita included 1.65 metres @ 29.1 g/t gold in TR107465; 1.2 m @ 27 g/t gold in TR118401, 0.4 m @ 132 g/t gold in TR118407 and 1.5 m @ 42.2 g/t gold in TR118425.

With only 450 metres of the plus 6 kilometre vein system sporadically tested to date down to less than 80 metres vertical depth, the most encouragement has come from the northern block of South Rompas vein system, 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 gold or 100 ppm uranium, have a grade of 100 g/t or more and the top 24% of all intersections have a grade of 0.42% uranium or higher;
- top 25% of drill intersections only have a grade of 7.7 g/t or higher;
- highest grade drill hole intersection is 3,540 g/t gold over 1 metre. The highest grade uranium intersection is 3.6% uranium over 0.6 m in a trench. The highest grade drill intersection grade of 0.7% uranium over 1.0 metres;
- mineralization in the vein system, to date, is characterized by narrow intersection widths of 1-2 metres with an average of 0.9 metre thickness;
- drilling, to date, has been shallow with 46% of intersections at 20 metres down hole depth or less; and
- 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 gold or 100 ppm uranium.

The host sequence to the Company's second target area, the Rompas vein-style mineralisation, comprises 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. 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 uranium 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").

After consultation with the mining and environmental authorities a decision was also made to leave handling of the Kairamaat 1 area, which includes the Rompas vein-style prospects, to a later date to allow for additional background data to be collected and further discussions with stakeholders. Therefore at this stage, the Company is focussing its efforts on the Rajapalot project area which it discovered in September 2012.

#### *Rompas-Rajapalot Regional Exploration Project*

Over a larger area, the extensive data collected from Rompas during the last four field seasons has provided an excellent understanding of the exploration potential. 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 metres. Known gold mineralization correlates well with surficial soil anomalies and many untested surface targets remain over a larger area.

Surface prospecting, using radiometric methods as a pathfinder for gold, have defined high-grade gold mineralization over a 100 km<sup>2</sup> area, where less than 5% of rock outcrops. Mawson's geochemical rock chip, grab and channel sample database over this large area now contains 1,171 samples which average 212 g/t gold and 0.8% uranium. Of the 1,171 samples, 84 samples assay more than 100 g/t gold. Gold values range from 33,320 g/t gold to <0.001 g/t gold and uranium values from 49.5% to <4 ppm. 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.

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

An updated NI 43-101 technical report dated August 27, 2014 on the Rompas property is filed on [www.sedar.com](http://www.sedar.com).

## **Environment and Permitting**

The Rompas-Rajapalot project is still in the exploration phase and significant work is required before progression to an advanced exploration project. Finland has rigorous regulatory processes with strict environmental standards and we are committed at this early project stage to work with the regional and national authorities and broader stakeholder groups to develop the project in a responsible way. Mawson has completed three years of flora and water base line studies and environmental impact assessments at Rompas-Rajapalot. The Company looks forward to continuing to work closely with both the mining and environmental authorities and other stakeholders over the coming years to ensure our work is conducted according to sustainable and global best practice methods.

In November 2014, Mawson announced the appointment of environmental specialist, Ms. Noora Raasakka, to the position of Environmental Leader, Finland. Ms. Raasakka is a Forestry Engineer with a Masters Degree in Landscape Management. She has developed strong experience within the Finnish environmental administration, applying environmental legislation towards nature protection. Her most recent role has been with The Centre for Economic Development, Transport and the Environment for Lapland (ELY-Centre) in the Nature Protection Unit as a project manager for a program based on developing biodiversity and ecological connections between Natura 2000 sites.

As Environmental Leader, Ms. Raasakka will set Environmental Policy with senior management, and be responsible for environmental monitoring and management plans. She is responsible for identifying and managing key environmental risks associated with Mawson's projects and for ensuring environmental factors are effectively addressed and managed. Working closely with local communities and government, Ms. Raasakka will manage consultants and ensure that environmental criteria are integrated into the design of exploration projects. The role is a key member of the exploration team and she is responsible for ensuring all environmental requirements are delivered on time and within scope.

Mawson carries out its exploration activities in large areas, including areas with a conservation status. Natural regeneration capacity in the northern regions is slower than in the southern regions due to the cold climate and short growing season. All the activities must therefore be carefully and thoughtfully planned to maintain and achieve sustainability.

The Company is committed to carry out all the research measures implemented with special care, according to the national legislation, guidelines and recommendations provided by the environmental administration authorities. In addition, international legislation and in particular the Habitats and Birds Directives guide the Company's operations. As a part of Company's development it also invests in new exploration methods and techniques with less significant impacts. The Company's aim is to carry out all their activities with ecologically, socially and economically sustainable manners. The Company also requires its subcontractors to the corresponding accountability in all their activities.

The main areas of Company's operations, Rompas and Rajapalot, are located on the border of Rovaniemi and Ylitornio municipalities in northern Finland. The Company has completed a variety of nature studies, and also implemented a Natura 2000 impact assessment related to the future and ongoing exploration activities. Currently there exists little scientific research on the impacts of different kinds of exploration methods on nature and the environment in these areas and therefore the Company's exploration activities and their impacts on the natural environment, species and water is monitored continuously. Monitoring activities will provide long-term research information on how sampling and exploration work should be carried out in a sustainable way without causing damage to environmental values.

For the recent core sampling program at Rajapalot, Mawson has completed biological mapping of all areas where drilling will take place, and worked together with all authorities to minimize its impacts, including the capture of all drill cuttings, reduction in total machine weight and the placement of walkways to reduce foot traffic.

Certain areas of the Rompas-Rajapalot areas (namely claim areas Kairamaat 1-3) are defined as European Union Natura 2000 designated areas. Natura 2000 sites cover about 14.6% of Finland and approximately 30% of Northern Finland. Natura 2000 is the centrepiece of EU nature and biodiversity policy. It is an EU-wide ecological network of nearly 26,000 sites in the 27 EU countries, established under the 1992 Habitats Directive and covering almost 18% of the EU's land area. The aim of the network is to assure the long-term survival of Europe's most valuable and threatened species and habitats. Natura 2000 is not a system of strict nature reserves where all human activities are excluded. Whereas the network will certainly include nature reserves, most of the land is likely to continue to be privately-owned and the emphasis will be on ensuring that future management is sustainable, both ecologically and economically.

A decision was made in early July 2014 by the Finnish Safety and Chemical Agency ("TUKES") to grant modified and renewed exploration claims titled Kairamaat 2 and 3 that cover a surface area of 1,462 hectares at Mawson's Rajapalot gold project in northern Finland, that entitles Mawson to deep drill during winter conditions within Natura 2000 biodiversity areas. The decision will take legal effect after a standard public appeal process.

### ***Sweden***

As of the date of the MD&A, the Company holds a total of 5 claims covering 16,242 hectares in Sweden.

### ***Future Developments***

Upcoming future developments at Rompas-Rajapalot include:

- The key milestone awaited by the Company is the administrative court decision on an appeal by an NGO group on the decision made in early July 2014 by TUKES to grant modified and renewed exploration claims titled Kairamaat 2 and 3 that cover a surface area of 1,462 hectares at Mawson's Rajapalot gold project in northern Finland, that entitles Mawson drill access during winter conditions within Natura 2000 biodiversity areas. A decision is expected to be made early in Q2 2015.
- Subject to the decision by the administrative court above the mid-term plan is to undertake a winter diamond drilling program for a total of 15-20 km at the Palokas.
- The Company has purchased and has recently taken delivery of a hand portable Winkie diamond drill to extend its drill depth capacity from 40 metres down to 120 metres. Drilling with the Winkie rig is planned to commence at Palokas in April, to test below known gold mineralization.
- In addition to the on-the-ground work programs, numerous scientific studies on the gold and uranium mineralization at Rompas-Rajapalot are ongoing. This includes ore geology research of gold deposits with unconventional metal associations by the GTK which has led to major advances in the understanding of the Rompas gold and uranium mineralization and its regional implications. The GTK and University of St. Andrews in Scotland are leading studies on the relationship between the gold formation, carbon and sulphur. In addition, dating of molybdenite associated with gold mineralization at Palokas and Rompas is ongoing, as is one Finnish PhD and two Master's theses.

### **Qualified Person**

The qualified person for Mawson's projects, Mr. Michael Hudson, the Company's President and CEO, a Fellow of the Australasian Institute of Mining and Metallurgy, has reviewed and verified the contents of this document.

## Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2015			Fiscal 2014			Fiscal 2013	
	Feb 28 2015 \$	Nov 30 2014 \$	Aug 31 2014 \$	May 31 2014 \$	Feb 28 2014 \$	Nov 30 2013 \$	Aug 31 2013 \$	May 31 2013 \$
<b>Operations:</b>								
Revenues	Nil							
Expenses	(391,712)	(721,341)	(468,887)	(430,108)	(498,073)	(1,474,946)	(655,322)	(574,673)
Other items	(23,022)	(52,613)	7,593	(119,213)	41,935	43,354	(59,145)	44,585
Deferred income tax	Nil	(50,000)						
Net loss	(414,734)	(773,954)	(461,294)	(549,321)	(456,138)	(1,431,592)	(714,467)	(580,088)
Other comprehensive (loss) income, net	69	(19,988)	(17,156)	(71,309)	102,000	(37,250)	Nil	(41,625)
Comprehensive loss	(414,665)	(793,942)	(478,450)	(620,630)	(354,138)	(1,468,842)	(714,467)	(621,713)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
Dividends per share	Nil							
<b>Balance Sheet:</b>								
Working capital	4,747,863	5,649,942	4,103,178	5,049,246	6,047,134	6,874,019	6,457,266	4,947,254
Total assets	17,239,539	17,881,022	15,568,317	15,910,150	16,505,727	16,812,585	15,945,706	14,016,128
Total long-term liabilities	Nil							

## Results of Operations

### *Three Months Ended February 28, 2015 Compared to Three Months Ended November 30, 2014*

During the three months ended February 28, 2015 (“Q3”) the Company reported a net loss of \$414,734 compared to a net loss of \$773,954 for the three months ended November 30, 2014 (“Q2”), a decrease in loss of \$359,220. The primary factor for the increase in loss is attributed primarily to the following:

- (i) the recognition of share-based compensation of \$53,000 in Q2 compared to \$nil in Q3; and
- (ii) the increase in legal fees paid in Q2 compared to Q3 from the court trial heard in Q2 on the ongoing legal issues with allegations over the Company’s exploration work completed during the 2010/2011 field programs. See “Exploration Projects - Finland - Environment and Permitting”.

### *Nine Months Ended February 28, 2015 Compared to Nine Months Ended February 28, 2014*

During the nine month period ended February 28, 2015 (the “2015 period”) the Company reported a net loss of \$1,649,982 (\$0.02 per share), a decrease of \$952,215 from the net loss of \$2,602,197 (\$0.04 per share) for the nine months ended February 28, 2014 (the “2014 period”). The decrease is primarily attributed to the recognition of share-based compensation of \$855,800 in the 2014 period compared to \$53,000 in the 2015 period.

Total expenses decreased by \$1,046,401, from \$2,628,341 during the 2014 period to \$1,581,940 during the 2015 period. Specific expenses of note during the 2015 period are as follows:

- incurred a total of \$61,799 (2014 - \$91,204) for accounting and administrative services of which \$35,400 (2014 - \$40,300) was provided by Chase Management Ltd. (“Chase”), a private corporation owned by a director of the Company and \$26,399 (2014 - \$50,904) provided by external accounting services in Sweden and Finland. During the 2014 period the accounting function in Sweden was provided by a consultant, who also provided other services to the Company, and has been included in professional fees;
- incurred general exploration expenditures of \$47,685 (2014 - \$236,959) relating to ongoing general exploration and property due diligence in Sweden and Finland. Fluctuations in general exploration expenditures is primarily affected by allocations to direct property costs;
- incurred \$362,374 (2014 - \$418,866) for professional services, which includes \$112,500 (2014 - \$114,740) for professional fees charged by directors and officers and \$249,874 (2014 - \$304,126) for professional fees charged by consultants for administrative services in Finland and Sweden;

- incurred \$132,000 (2014 - \$121,500) for management fees charged through Sierra Peru Pty (“Sierra”) for remuneration of Mr. Michael Hudson as the Company’s President and CEO;
- incurred rent expense of \$45,494 for office premises in Canada, Finland and Sweden. During the 2014 period the Company incurred rent expense of \$116,590 which, in addition to office rent in Canada, Finland and Sweden, included \$16,571 for office rent in Australia and \$51,173 for temporary short-term living accommodation for the Vice-President of Exploration to oversee the Company’s operations in Finland;
- corporate development expenses were lower during the 2015 period compared to the 2014 period from \$57,998 in the 2014 period to \$25,377 in the 2015 period. During the 2014 period the Company attended several international investment conferences;
- legal fees increased by \$110,040, from \$58,910 in the 2014 period to \$168,950 in the 2015 period. During the 2015 period legal fees were higher due to the legal issues with allegations over the Company’s exploration work completed during the 2010/2011 field programs. On December 31, 2014 the Company received notification of a ruling by the Kemi-Tornio District Court in Finland. The Company was found to be not guilty of the original basis for the case, being the nature conservation crime associated with the destruction of specific endangered plant species. Additionally, associated compensation requests were rejected. However, the Company’s hand dug trenches were found to have diminished the representativeness and diversity of the nature conservation values where some of the hand digging took place. A corporate fine of 5,000 Euros was imposed on the Company. During 2015 period the Company has paid a total of \$62,643 for the fine and indemnity and associated costs. These costs have been recorded as court judgment and associated costs in the statements of comprehensive loss; and
- recorded share-based compensation of \$53,000 (2014 - \$855,800) on the granting of share options.

As the Company is in the exploration stage of investigating and evaluating its unproven mineral interests, it has no source of operating revenue. Interest income is generated from cash on deposit and short-term money market instruments issued by major financial institutions. During the 2015 period the Company reported interest income of \$51,786 compared to \$67,588 during the 2014 period.

During the 2015 period the Company reported other income of \$7,734 (2014 - \$24,375) from the rental of its apartment in Peru. On August 31, 2014 the Company terminated the rental arrangement on the apartment in Peru. The Company is currently reviewing its options on the sale of the apartment.

### **Financing**

During the 2015 period the Company completed a non-brokered private placement of 9,124,243 units of the Company at \$0.33 per unit for gross proceeds of \$3,011,000. The net proceeds from the financing are being used to advance exploration work on the Company’s Rompas-Rajapalot Project in Finland and for general working capital purposes.

During the 2014 period the Company completed a non-brokered private placement of 9,344,417 units for gross proceeds of \$4,204,988. All proceeds were used to advance exploration and cover corporate overhead.

### **Investments**

The Company’s holdings in the common shares of publicly held companies have been designated as available-for-sale for accounting purposes and are measured at fair value. During the 2015 period the Company recorded a comprehensive loss of \$37,075 (2014 - gain of \$64,750) for the change in the fair values of the investments. As at February 28, 2015 the quoted market values of the 3,500,000 Hansa Resources Limited common shares was \$70,000; the 75,000 Tumi Resources Limited common shares was \$6,000; and the 600,000 Thomson Resources Ltd. common shares was \$11,719.

### **Exploration and Evaluation Assets**

	As at February 28, 2015			As at May 31 2014		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Finland - Gold Projects	2,057,902	9,613,288	11,670,616	2,002,170	7,978,393	9,980,563
Sweden - Other Projects	53,297	1,344	60,108	33,020	1,344	34,364
	<u>2,111,199</u>	<u>9,614,632</u>	<u>11,730,724</u>	<u>2,035,190</u>	<u>7,979,737</u>	<u>10,014,927</u>

During the 2015 period the Company incurred a total of \$1,715,797 (2014 - \$1,588,201) on the acquisition, exploration and evaluation of its unproven resource assets, of which \$1,690,053 (2014 - \$1,541,083) was incurred on its Finnish Projects and \$26,352 (2014 - \$47,118) on its Swedish projects. In addition during the 2015 period the Company recovered \$608 (2014 - \$165,565) on mining permits relinquished on its Swedish projects and recorded an impairment of \$nil (2014 - \$95,644) on its exploration and evaluation assets in Sweden. Details of the exploration activities conducted during the 2015 period are described in “Exploration Projects” in this MD&A.

### **Cash Flows**

During the 2015 period cash decreased by \$288,825. Operations utilized \$1,546,136; investing activities, for expenditures on exploration and evaluation assets, utilized \$1,734,365 and financing activities, from equity financing, generated 2,991,676.

During the 2014 period cash increased by \$1,162,748. Operations utilized \$1,367,608; investing activities, for expenditures on exploration and evaluation assets, utilized \$1,616,985; and financing activities, from equity financing, generated net proceeds of \$4,147,341.

### **Financial Condition / Capital Resources**

As at February 28, 2015, the Company had working capital of \$4,747,863. The Company believes that it has sufficient financial resources to conduct anticipated exploration programs and meet anticipated corporate administration costs for the upcoming twelve month period. However, exploration activities may change due to ongoing results and recommendations, or the Company may acquire additional properties, which may entail significant funding or exploration commitments. The Company may be required to obtain additional financing. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Proposed Transactions**

There are no proposed transactions.

### **Critical Accounting Estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. A detailed summary of all the Company’s significant accounting policies is included in Note 3 to the May 31, 2014 annual consolidated financial statements.

### **Changes in Accounting Policies**

There are no changes in accounting policies.

### **Related Parties Disclosures**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

#### **(a) *Transactions with Key Management Personnel***

During the nine months ended February 28, 2015 and 2014 the following amounts were incurred with respect to the Company’s President and CEO (Mr. Hudson), CFO (Mr. DeMare) and VP of Exploration (Mr. Cook):

	2015 \$	2014 \$
Management fees - Mr. Hudson	132,000	121,500
Professional fees - Mr. DeMare	22,500	22,500
Professional fees - Mr. Cook	140,847	148,061
Rent for apartment - Mr. Cook	-	51,173
Share-based compensation - Mr. Hudson	-	147,400
Share-based compensation - Mr. DeMare	-	83,600
Share-based compensation - Mr. Cook	-	33,000
	<u>295,347</u>	<u>607,234</u>

Professional fees of \$140,847 (2014 - \$145,821) have been capitalized to exploration and evaluation assets based on the nature of the expenditure.

As at February 28, 2015, \$71,530 (2014 - \$19,459) of the above amounts remained unpaid.

The Company has a management agreement with Mr. Hudson, which provides that in the event that Mr. Hudson's services as the Company's President are terminated without cause or upon a change of control of the Company, a termination payment of two years of compensation, at \$15,000 per month, is payable. If the termination had occurred on February 28, 2015, the amount payable under the agreement would be \$360,000.

(b) *Transactions with Other Related Parties*

(i) During the nine months ended February 28, 2015 and 2014 the following amounts were incurred with respect to the Company's non-executive directors (Messrs. Henstridge, Leathley, Saxon, and Maclean) and Corporate Secretary (Ms. Bermudez):

	2015 \$	2014 \$
Salaries - Ms. Bermudez	56,750	42,750
Professional fees - Mr. Henstridge	22,500	22,500
Professional fees - Mr. Leathley	22,500	22,500
Professional fees - Mr. Saxon	22,500	22,500
Professional fees - Mr. Maclean	22,500	22,500
Share-based compensation - Mr. Henstridge	-	83,600
Share-based compensation - Mr. Leathley	-	66,000
Share-based compensation - Mr. Saxon	-	147,400
Share-based compensation - Mr. Maclean	-	66,000
Share-based compensation - Ms. Bermudez	-	26,400
	<u>146,750</u>	<u>522,150</u>

As at February 28, 2015, \$25,000 (2014 - \$20,000) of the above amounts remained unpaid.

- (ii) During the nine months ended February 28, 2015 the Company incurred a total of \$35,400 (2014 - \$40,300) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare, and \$3,015 (2014 - \$3,015) for rent. As at February 28, 2015, \$4,170 (2014 - \$3,970) remained unpaid.
- (c) During the nine months ended February 28, 2015 the Company recovered \$53,607 (2014 - \$79,305) for shared office personnel and costs from Tasman Metals Ltd. ("Tasman"), Tinka Resources Limited and Flinders Resources Limited, public companies with common directors and officers. As at February 28, 2015, \$6,525 (2014 - \$6,804) of the amount remained outstanding.
- (d) During the nine months ended February 28, 2015 the Company incurred \$3,664 (2014 - \$nil) for shared office administration costs with Tasman, a public company with common directors and officers. As at February 28, 2015, \$173 (2014 - \$nil) of the amount remained outstanding.

## **Risks and Uncertainties**

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company believes that it is in compliance in all material regulations applicable to its exploration activities. The Company is dealing with certain Finnish environmental authorities in regards to certain issued raised on the Rompas property. See also “Exploration Projects - Finland - Environment”. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company’s material mineral properties are located in Scandinavia and consequently the Company is subject to certain risks, including currency fluctuations which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by governmental regulations relating to the mining industry.

Additional risks and uncertainties relating to the Company and its business can be found in the “Risk Factors” section of the Company’s most recent Annual Information Form available at [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.mawsonresources.com](http://www.mawsonresources.com).

## **Investor Relations Activities**

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. The Company updates its website ( [www.mawsonresources.com](http://www.mawsonresources.com) ) on a continuous basis.

The Company retained Albis Capital Corp. (“Albis”) to provide market awareness and investor relations activities. The principals of Albis were Mr. James Powell and Ms. Seema Sindwani. Albis works with the Company to, among other things, develop a strategy to enhance and expand the Company’s exposure in North America and Europe, provide market awareness, promotion and arrange road shows (the “Investor Relations Program”). Under the contract, Albis was paid a monthly fee of \$2,500. Effective February 16, 2015 Mr. Powell resigned from his position and Ms. Sindwani took over the Investor Relations Program at a monthly fee of \$1,750. During the nine months ended February 28, 2015 the Company paid Albis a total of \$23,375 (2014 - \$27,000). The arrangement may be cancelled by either party on 30 days notice.

## **Outstanding Share Data**

The Company’s authorized share capital is unlimited common shares without par value. As at April 10, 2015 there were 74,549,971 issued and outstanding common shares. In addition, there were 4,350,000 share options outstanding, at exercise prices ranging from \$0.20 to \$1.24 per share and 9,234,328 warrants outstanding at exercise prices ranging from \$0.50 to \$0.65 per share.

## **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures, as defined in National Instrument 52-109 - *Certification of Disclosure in Issuer’s Annual and Interim Filings* (“52-109”), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. Management relies upon certain informal procedures and communication, and upon “hands-on” knowledge of senior management. Due to the small staff, however, the Company will continue to rely on

an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures.

### **Internal Control over Financial Reporting**

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of the assets of the Company; providing reasonable assurance that transactions are recorded as necessary for preparation of the Company's consolidated financial statements in accordance with IFRS; providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company's assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's consolidated financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of February 28, 2015.

### **Changes in Internal Control over Financial Reporting**

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have concluded that there has been no change in the Company's internal control over financial reporting during the nine months ended February 28, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.