

# MAWSON RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2015

### Background

This discussion and analysis of financial position and results of operations is prepared as at August 27, 2015, and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended May 31, 2015 and 2014 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, capital and other costs varying significantly from estimates, changes in world metal markets, changes in equity markets, planned drill programs and results varying from expectations, 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, 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, and other risks and uncertainties disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form.

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 and Highlights

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 Pink 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 close to surface with a hand portable core sampler. Follow up drilling during the quarter produced results including 19.6m @ 7.5 g/t

gold from 18.1 metres in drill hole PRAJ0107 including 5.0m @ 24.1 g/t gold from 26.7 metres with visible gold present; and

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 (the "Technical Report") dated August 27, 2014 on the Rompas-Rajapalot property is filed under Mawson's profile on [www.sedar.com](http://www.sedar.com).

Readers are encouraged to review the complete text of the Technical Report which was prepared and reviewed by Michael Hudson, as the Qualified Person for Mawson's projects. Mr. Hudson is a director, Chairman, President and Chief Executive Officer for Mawson, and a Fellow of the Australasian Institute of Mining and Metallurgy.

### Directors and Officers

As of the date of this MD&A the directors and executive 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 the following claims, exploration permits and reservations as shown in the following table.

	Number	Area (ha)
<b>Granted Claims</b>	13	1,292
<b>Exploration Permits*</b>	2	1,462
<b>Exploration Permit Applications</b>	10	20,720
<b>Reservations</b>	4	28,764

\* 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 halo 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;
- 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 allowed testing to 120 metres down hole. Two drill holes for 180.2 metres were completed in April 2015 before winter access conditions ended, to test the down-dip extensions of the Palokas prospect tested beneath near surface.

Highlight intersections included:

- 19.6m @ 7.5 g/t gold from 18.1 metres in drill hole PRAJ0107 including 5.0m @ 24.1 g/t gold from 26.7 metres with visible gold present; and
- 5.1m @ 3.8 g/t gold from 18.3 metres in drill hole PRAJ0108.

Drilling recommenced in August 2015 after the snow melted and the bird nesting exclusion period was over.

#### *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.

## **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 sets Environmental Policy with senior management, and is 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 manages consultants and ensures 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. On May 21, 2015, the Northern Finland Administrative Court (the "Court") comprehensively rejected an initial appeal by the NGO group against the TUKES exploration permit decision. On June 18, 2015, the NGO appealed the Regional Administrative Court's decision to the Supreme Administrative Court. The Supreme Court process could take 3 to 12 months depending on how the court elects to deal with the appeal. The appeal will not stop Mawson advancing its exploration program. The Company will continue to work under its current permit conditions, which includes the right to drill with man-portable rigs to test the Palokas gold discovery.

While too late for this current legal process, Mawson welcomes the recently elected Finnish Government's New Governmental Coalition Program, which limits access to the Supreme Administrative Court in environmental and construction matters. In addition, neighboring village associations to the project and the local Ylitornio municipality have demonstrated strong support for Mawson's exploration work. A recent [communique](#) from the Meltosjärvi Village Association outlines this rationale.

On August 24, 2015 the Company announced that it had requested a police investigation in Rovaniemi, Finland into certain accusations made by an NGO about the Company in their re-appeal to the Supreme Administrative Court. Mawson has provided multiple opportunities for the NGO to correct the false statements made about the Company. Mawson's Finnish legal counsel advises that under Finnish Law it is a criminal act to even attempt to willfully mislead a court. Therefore, the actions of the NGO have forced the Company to defend itself and the rights of all its shareholders and stakeholders. Constructive co-operation with all stakeholders remains extremely important for Mawson, however, transparency and honesty needs to be demonstrated by all parties. Mawson will now rely on the police and a court of law to determine the correct outcome.

### ***Sweden***

As of the date of the MD&A, the Company holds a total of 7 claims in Sweden covering 17,753 hectares, prospective for uranium and gold.

### ***Future Developments***

Upcoming future developments at Rompas-Rajapalot include:

- Subject to the decision timing by the supreme 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 recommenced drilling at the Palokas high grade gold discovery within the Rajapalot project area in Finland at the start of August 2015. Drilling will be performed down dip and down plunge from recent drill results, which have included:
  - 19.5 metres @ 7.4 g/t gold from 18.1 metres, including 5.0m @ 24.1 g/t gold from 26.7 metres;
  - 19.0 metres @ 2.3 g/t gold from 8.0 metres, including, 8.7m @ 4.6 g/t gold from 16.9 metres;
  - 19.5 metres @ 7.4 g/t gold from 1.3 metres, including 5.4m @ 37.6 g/t gold from 2.5m;

- 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 audited annual consolidated financial statements of the Company.

	Years Ended May 31,		
	2015 \$	2014 \$	2013 \$
<b>Operations:</b>			
Revenues	Nil	Nil	Nil
Expenses	(2,025,177)	(3,058,449)	(2,540,237)
Other items	10,655	(93,069)	112,473
Deferred income taxes	Nil	Nil	(30,000)
Net loss	(2,014,522)	(3,151,518)	(2,457,764)
Other comprehensive gain (loss)	(59,043)	(6,559)	(210,250)
Comprehensive loss	(2,073,565)	(3,158,077)	(2,668,014)
Basic and diluted loss per share	(0.03)	(0.05)	(0.04)
Dividends per share	Nil	Nil	Nil
<b>Balance Sheet:</b>			
Working capital	4,149,868	5,049,246	4,947,254
Total assets	16,748,322	15,910,150	14,016,128
Total long-term liabilities	Nil	Nil	Nil

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

	Fiscal 2015				Fiscal 2014			
	May 31 2015 \$	Feb 28 2015 \$	Nov 30 2014 \$	Aug 31 2014 \$	May 31 2014 \$	Feb 28 2014 \$	Nov 30 2013 \$	Aug 31 2013 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(443,237)	(391,712)	(721,341)	(468,887)	(430,108)	(498,073)	(1,474,946)	(655,322)
Other items	78,697	(23,022)	(52,613)	7,593	(119,213)	41,935	43,354	(59,145)
Deferred income tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(364,540)	(414,734)	(773,954)	(461,294)	(549,321)	(456,138)	(1,431,592)	(714,467)
Other comprehensive (loss) income, net	(21,968)	69	(19,988)	(17,156)	(71,309)	102,000	(37,250)	Nil
Comprehensive loss	(386,508)	(414,665)	(793,942)	(478,450)	(620,630)	(354,138)	(1,468,842)	(714,467)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	4,149,868	4,747,863	5,649,942	4,103,178	5,049,246	6,047,134	6,874,019	6,457,266
Total assets	16,748,322	17,239,539	17,881,022	15,568,317	15,910,150	16,505,727	16,812,585	15,945,706
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



## Results of Operations

### *Three Months Ended May 31, 2015 Compared to Three Months Ended May 31, 2014*

During the three months ended May 31, 2015 (“Q4-2015”) the Company reported a net loss of \$364,540 compared to a net loss of \$549,321 for the three months ended May 31, 2014 (“Q4-2014”), a decrease in loss of \$184,781. The primary factor for the decrease in loss is attributed to the recognition of impairment of exploration and evaluation assets of \$142,799 in Q4-2014. No impairment of exploration and evaluation assets was required in Q4-2015.

### *Year Ended May 31, 2015 Compared to Year Ended May 31, 2014*

During fiscal 2015 the Company reported a net loss of \$2,041,522 (\$0.03 per share), a decrease of \$1,136,996 from the net loss of \$3,151,518 (\$0.05 per share) for fiscal 2014. The primary factor for the decrease is attributed to the recognition of share-based compensation of \$855,800 in fiscal 2014 compared to \$53,000 in fiscal 2015.

Total expenses decreased by \$1,033,272 from \$3,058,449 during fiscal 2014 to \$2,025,177 during fiscal 2015. Specific expenses of note during fiscal 2015 are as follows:

- incurred a total of \$77,699 (2014 - \$114,078) for accounting and administrative services of which \$44,030 (2014 - \$52,900) was provided by Chase Management Ltd. (“Chase”), a private corporation owned by a director of the Company and \$33,669 (2014 - \$61,178) provided by third-party accounting service providers for the Company’s operations in Sweden and Finland. The Company experienced a significant reduction in accounting fees for its operations in Sweden due to reduced activities and a change in accountants.;
- incurred general exploration expenditures of \$58,253 (2014 - \$158,912) 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 rent expense of \$54,643 compared to \$134,386, a decrease of \$79,743. During fiscal 2014 the Company incurred rent expense of \$24,224 for office rent in Australia. This arrangement was terminated in August 2014 and, as a result, the Company only paid \$4,316 in fiscal 2015. In addition during fiscal 2014 the Company paid \$43,449 for temporary short-term living accommodation for the Vice-President of Exploration to oversee the Company’s operations in Finland. No comparable expenditures were incurred in fiscal 2015;
- corporate development expenses were lower during fiscal 2015 compared to fiscal 2014 from \$72,077 in fiscal 2014 to \$31,110 in fiscal 2015 as the Company terminated several market awareness programs;
- legal fees increased by \$116,338, from \$92,180 in fiscal 2014 to \$208,518 in fiscal 2015. During fiscal 2015 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 fiscal 2015 the Company paid a total of \$64,644 for the fine and indemnity and associated costs. These costs have been recorded as court judgment and associated costs; and
- recorded share-based compensation of \$53,000 (2014 - \$855,800) on the granting of 380,000 (2014 - 3,890,000) 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 fiscal 2015 the Company reported interest income of \$65,111 compared to \$86,556 during fiscal 2014, a decrease of \$21,445. The decrease is due to lower levels of cash held during fiscal 2015 and lower yields obtained during fiscal 2015.

During fiscal 2015 the Company reported other income of \$7,734 (2014 - \$32,226) from the rental of its apartment in Peru. On August 31, 2014 the Company terminated the rental arrangement on the apartment in Peru. In June 2015 the Company sold the apartment for gross proceeds of US \$283,000.

## Financing

During fiscal 2015 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 fiscal 2014 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 fiscal 2015 the Company recorded a comprehensive loss of \$59,043 (2014 - \$6,559) for the change in the fair values of the investments. As at May 31, 2015 the quoted market value of the investments was \$65,751 compared to \$261,798 at May 31, 2014.

## Exploration and Evaluation Assets

	As at May 31, 2015			As at May 31 2014		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Finland - Gold Projects	2,086,965	9,828,636	11,915,601	2,002,170	7,978,393	9,980,563
Sweden - Other Projects	58,780	1,344	60,124	33,020	1,344	34,364
	<u>2,145,745</u>	<u>9,829,980</u>	<u>11,975,725</u>	<u>2,035,190</u>	<u>7,979,737</u>	<u>10,014,927</u>

During fiscal 2015 the Company incurred a total of \$1,960,798 (2014 - \$2,216,964) on the acquisition, exploration and evaluation of its unproven resource assets, of which \$1,935,038 (2014 - \$2,135,676) was incurred on its Finnish Projects and \$25,760 (2014 - \$81,288) on its Swedish projects. In addition during fiscal 2014 the Company recovered \$210,333 on mining permits relinquished on its Swedish projects and recorded an impairment of \$238,443 on its exploration and evaluation assets in Sweden. Details of the exploration activities conducted during fiscal 2015 are described in "Exploration Projects" in this MD&A.

## Financial Condition / Capital Resources

As at May 31, 2015, the Company had working capital of \$4,149,868. 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, 2015 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 fiscal 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	177,000	162,000
Professional fees - Mr. DeMare	30,000	30,000
Professional fees - Mr. Cook	170,589	199,940
Rent for apartment - Mr. Cook	-	43,449
Share-based compensation - Mr. Hudson	-	147,400
Share-based compensation - Mr. DeMare	-	83,600
Share-based compensation - Mr. Cook	-	33,000
	<u>377,589</u>	<u>699,389</u>

Professional fees of \$170,589 (2014 - \$197,462) have been capitalized to exploration and evaluation assets based on the nature of the expenditure.

As at May 31, 2015, \$61,475 (2014 - \$43,000) 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 May 31, 2015, the amount payable under the agreement would be \$360,000.

### (b) *Transactions with Other Related Parties*

(i) During fiscal 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	77,000	57,000
Professional fees - Mr. Henstridge	30,000	30,000
Professional fees - Mr. Leathley	30,000	30,000
Professional fees - Mr. Saxon	30,000	30,000
Professional fees - Mr. Maclean	30,000	30,000
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>197,000</u>	<u>566,400</u>

As at May 31, 2015, \$25,500 (2014 - \$25,000) of the above amounts remained unpaid.

- (ii) During fiscal 2015 the Company incurred a total of \$44,030 (2014 - \$52,900) 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 \$4,020 (2014 - \$4,020) for rent. As at May 31, 2015, \$3,800 (2014 - \$6,670) remained unpaid.
- (c) During fiscal 2015 the Company recovered \$75,101 (2014 - \$108,300) 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 May 31, 2015, \$6,888 (2014 - \$13,785) of the amount remained outstanding.
- (d) During fiscal 2015 the Company incurred \$4,018 (2014 - \$nil) for shared office administration costs with Tasman, a public company with common directors and officers. As at May 31, 2015, \$90 (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).

### **Outstanding Share Data**

The Company’s authorized share capital is unlimited common shares without par value. As at August 27, 2015 there were 74,549,971 issued and outstanding common shares. In addition, there were 4,270,000 share options outstanding, at exercise prices ranging from \$0.20 to \$0.52 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 (2013). 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 May 31, 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 fiscal year ended May 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.