MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
FEBRUARY 28, 2011

(Unaudited - Prepared by Management)

MANAGEMENT'S COMMENTS ON UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of Mawson Resources Limited for the nine months ended February 28, 2011, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

MAWSON RESOURCES LIMITED

CONSOLIDATED BALANCE SHEETS

(Unaudited - Prepared by Management)

	February 28, 2011 $	May 31, 2010 $
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	329,766	7,532,677
Short-term deposits (Note 3)	12,432,573	2,000,000
Amounts receivable	62,255	128,106
Prepaid expenses	41,315	20,907
	12,865,909	9,681,690
INVESTMENTS (Note 4)	731,500	663,544
PROPERTY AND EQUIPMENT, net of accumulated depreciation $190,943 (May 31, 2010 - $184,887)	351,860	140,921
UNPROVEN MINERAL INTERESTS (Note 5)	7,436,706	5,653,454
	21,385,975	16,139,609
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	252,437	211,740
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (Note 6)	31,123,505	24,718,992
CONTRIBUTED SURPLUS (Note 8)	4,917,116	3,686,406
DEFICIT	(14,132,583)	(11,579,756)
ACCUMULATED OTHER COMPREHENSIVE LOSS	(774,500)	(897,773)
	21,133,538	15,927,869
	21,385,975	16,139,609

SUBSEQUENT EVENT (Note 14)

APPROVED BY THE DIRECTORS

"Michael Hudson" , Director

"Nick DeMare" , Director

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

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED STATEMENTS OF

LOSS AND COMPREHENSIVE LOSS

(Unaudited - Prepared by Management)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2011 $	2010 $	2011 $	2010 $
EXPENSES				
Accounting and administrative	6,850	5,100	27,800	22,150
Audit	-	-	30,345	28,780
Corporate development	56,205	9,342	93,739	18,522
Depreciation	14,081	13,941	36,727	41,943
General exploration	214,544	209,791	414,582	503,444
Investor relations	10,500	10,500	31,500	37,500
Legal	924	8,903	2,265	9,935
Management fees	48,000	48,750	145,000	167,251
Office and sundry	8,396	4,353	21,475	16,986
Professional fees	18,979	34,524	149,812	109,874
Regulatory fees	4,906	3,435	16,599	14,747
Rent	4,649	8,025	14,249	17,957
Salaries and benefits	45,536	-	81,735	-
Shareholder costs	3,046	1,098	14,496	4,917
Stock-based compensation (Note 6)	291,000	2,100	1,591,000	5,951
Transfer agent	2,907	2,606	8,353	5,688
Travel	45,022	34,381	119,816	84,920
	775,545	396,849	2,799,493	1,090,565
LOSS BEFORE OTHER ITEMS	(775,545)	(396,849)	(2,799,493)	(1,090,565)
OTHER ITEMS				
Recovery of expenses (Note 9(iv))	-	-	40,624	-
Gain on sale of available-for-sale investments (Note 4(a))	145,682	-	145,682	-
Interest and other income	39,416	5,956	75,165	19,015
Foreign exchange	(6,851)	(10,488)	(16,678)	8,941
Unrealized gain (loss) on held-for-trading investments	12,000	(72,000)	(5,000)	(104,000)
Write-off of unproven mineral interests	-	(720)	-	(1,344,557)
(Loss) gain on sale of equipment	-	(1,816)	6,873	(1,816)
	190,247	(79,068)	246,666	(1,422,417)
NET LOSS FOR THE PERIOD	(585,298)	(475,917)	(2,552,827)	(2,512,982)
OTHER COMPREHENSIVE GAIN (LOSS)	66,464	(484,486)	123,273	(560,221)
COMPREHENSIVE LOSS FOR THE PERIOD	(518,834)	(960,403)	(2,429,554)	(3,073,203)
LOSS PER SHARE - BASIC AND DILUTED	$(0.01)	$(0.02)	$(0.06)	$(0.08)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	50,536,475	36,500,555	46,252,368	36,500,555

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

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED STATEMENTS OF DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE LOSS

(Unaudited - Prepared by Management)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2011 $	2010 $	2011 $	2010 $
DEFICIT - BEGINNING OF PERIOD	(13,547,285)	(10,414,154)	(11,579,756)	(8,377,089)
NET LOSS FOR THE PERIOD	(585,298)	(475,917)	(2,552,827)	(2,512,982)
DEFICIT - END OF PERIOD	(14,132,583)	(10,890,071)	(14,132,583)	(10,890,071)
ACCUMULATED OTHER COMPREHENSIVE LOSS - BEGINNING OF PERIOD	(840,964)	(444,663)	(897,773)	(368,928)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	66,464	(484,486)	123,273	(560,221)
ACCUMULATED OTHER COMPREHENSIVE LOSS - END OF PERIOD	(774,500)	(929,149)	(774,500)	(929,149)

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

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Prepared by Management)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2011 $	2010 $	2011 $	2010 $
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Net loss for the period	(585,298)	(475,917)	(2,552,827)	(2,512,982)
Adjustment for items not involving cash				
Depreciation	14,081	13,941	36,727	41,943
Stock-based compensation	291,000	2,100	1,591,000	5,951
(Gain) loss on sale of equipment	-	1,816	(6,873)	1,816
Gain on sale of available-for-sale investments	(145,682)	-	(145,682)	-
Unrealized (loss) gain on held-for-trading investments	(12,000)	72,000	5,000	104,000
Write-off of unproven mineral interests	-	720	-	1,344,557
	(437,899)	(385,340)	(1,072,655)	(1,014,715)
Decrease (increase) in amounts receivable	52,161	(10,660)	65,851	43,685
Decrease (increase) in prepaid expense	23,246	12,295	(20,408)	10,575
Increase (decrease) in accounts payable and accrued liabilities	119,796	(92,318)	76,245	(102,145)
	(242,696)	(476,023)	(950,967)	(1,062,600)
INVESTING ACTIVITIES				
Short-term deposits	(2,194,884)	-	(10,432,573)	-
Expenditures on unproven mineral interests	(454,717)	(33,182)	(1,800,593)	(304,229)
Property and equipment additions	(256,844)	-	(265,773)	(13,060)
Proceeds on sale of investment	195,999	-	195,999	-
Proceeds on sale of equipment	-	1,180	24,980	1,180
	(2,710,446)	(32,002)	(12,277,960)	(316,109)
FINANCING ACTIVITIES				
Issuance of common shares	264,450	-	6,067,170	-
Share issue costs	(36,414)	-	(41,154)	-
	228,036	-	6,026,016	-
DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	(2,725,106)	(508,025)	(7,202,911)	(1,378,709)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	3,054,872	10,661,617	7,532,677	11,532,301
CASH AND CASH EQUIVALENTS - END OF PERIOD	329,766	10,153,592	329,766	10,153,592
CASH AND CASH EQUIVALENTS IS COMPRISED OF:				
Cash			329,766	2,019,288
Short-term deposits			-	8,134,304
			329,766	10,153,592

SUPPLEMENTAL CASH FLOW INFORMATION (Note 13)

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

1. NATURE OF OPERATIONS

The Company is a resource company engaged in the acquisition and exploration of unproven mineral interests and is considered a development stage company as defined by Accounting Guideline No. 11 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. As at February 28, 2011, the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests.

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

Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the 2011 fiscal year. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS lAS 27, *Consolidated and Separate Financial Statements,* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company does not anticipate the new accounting standards to have an impact on the Company's consolidated financial statements.

3. SHORT-TERM DEPOSITS

	February 28 2011 $	May 31, 2010 $
Redeemable GIC due April 26, 2011 at cost plus accrued interest at 1.05% per annum	-	2,000,000
Redeemable GIC due January 10, 2012 at cost plus accrued interest at 1.32% per annum	2,313,092	-
Redeemable GIC due November 21, 2011 at cost plus accrued interest at 1.40% per annum	4,903,924	-
Redeemable GIC due November 29, 2011 at cost plus accrued interest at prime less 1.80% per annum	5,215,557	-
	12,432,573	2,000,000

All of the GIC's are redeemable after 30 days from purchase.

4. INVESTMENTS

	February 28, 2011				
	Number	Cost $	Accumulated Compre-hensive Gain (Loss) $	Accumulated Gain $	Carrying Value $
Available-for-sale investments					
Common shares					
Hansa Resources Limited ("Hansa")	7,000,000	1,430,000	(800,000)	-	630,000
Tumi Resources Limited ("Tumi")	300,000	45,000	25,500	-	70,500
Held-for-trading investments					
Warrants					
Hansa	1,000,000	-	-	10,000	10,000
Tumi	300,000	-	-	21,000	21,000
		1,475,000	(774,500)	31,000	731,500

4. INVESTMENTS (continued)

	May 31, 2010				
	Number	**Cost** $	**Accumulated Compre- hensive Gain (Loss)** $	**Accumulated Gain** $	**Carrying Value** $
Available-for-sale investments					
Common shares					
Hodges	1,000,000	50,317	90,727	-	141,044
Hansa	7,000,000	1,430,000	(975,000)	-	455,000
Tumi	300,000	45,000	(13,500)	-	31,500
Held-for-trading investments					
Warrants					
Hansa	1,000,000	-	-	30,000	30,000
Tumi	300,000	-	-	6,000	6,000
		1,525,317	(897,773)	36,000	663,544

(a) During fiscal 2009 the Company received 1,000,000 common shares of Hodges, at a fair value of $50,317, from the disposition of certain of its unproven mineral interests, as described in Note 5(a). During the nine months ended February 28, 2011 the Company sold its investment in Hodges for $195,999 and recorded a gain on sale of $145,682.

(b) The investment in Hansa comprises:

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

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

As at February 28, 2011, the quoted market value of the 7,000,000 common shares of Hansa was $630,000 and the fair value of the Hansa warrants was determined to be $10,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 122%; a risk-free interest rate of 1.07%; and an expected life of one month.

Subsequent to February 28, 2011, Hansa extended the term of the share purchase warrants by one year to now expire on April 1, 2012.

(c) During fiscal 2009 the Company purchased 300,000 units of Tumi at a cost of $45,000. Each unit comprised one common share and one share purchase warrant, with each warrant entitling the Company to purchase an additional common share at an exercise price of $0.25 expiring March 25, 2012. The Company may be forced to exercise the warrants if the common shares trade on a weighted average price of $0.40 per common share for a period of 20 consecutive trading days. At the time of purchase the Company assigned $45,000 fair value to the common shares and $nil fair value to the warrants.

4. INVESTMENTS (continued)

As at February 28, 2011, the quoted market value of the 300,000 common shares of Tumi was $70,500 and the fair value of the Tumi warrants was determined to be $21,000, estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; expected volatility - 77%; a risk-free interest rate of 1.37%; and an expected life of thirteen months.

5. UNPROVEN MINERAL INTERESTS

	February 28, 2011			May 31, 2010		
	Acquisition Costs $	Exploration Expenditures $	Total $	Acquisition Costs $	Exploration Expenditures $	Total $
Uranium Properties (a)						
Sweden	325,099	3,894,680	4,219,779	259,343	3,847,712	4,107,055
Finland	1,458,127	1,194,965	2,653,092	1,436,512	91,920	1,528,432
Other Properties (b)						
Sweden	4,607	2,584	7,191	4,607	2,584	7,191
Peru	135,762	420,882	556,644	10,776	-	10,776
	1,923,595	5,513,111	7,436,706	1,711,238	3,942,216	5,653,454

(a) Uranium Properties

Sweden

The Company and Hodges has entered into an option and joint venture agreement whereby Hodges issued 1,000,000 common shares of its share capital to the Company, at a fair value of $50,317, and has agreed to incur, or pay directly to the Company, a minimum US $550,000 (US $350,000 incurred) to earn a 51% interest in eight exploration permits. Upon earning the 51% interest Hodges could then increase its interest to 75% by funding a bankable feasibility study.

As at February 28, 2011, the Company maintains a total of 30 uranium claims or claim applications in Sweden.

Finland

On April 30, 2010, the Company entered into a purchase and sale agreement with Areva Resources Finland OY (“Areva Finland”), whereby the Company paid $1,403,956 to purchase 170 claims or claim applications in Finland.

The Company also holds or has made claim applications in various areas of Finland.

(b) Other Properties

(i) On January 4, 2010, the Company entered into an option agreement to acquire up to a 100% interest in three exploration licenses (the “Orrbacken Project”) in Sweden. The Company can acquire an initial 90% interest in the Orrbacken Project by paying a total of SEK 1,600,000, as follows:

5. UNPROVEN MINERAL INTERESTS (continued)

Date	**SEK**	
On signing	200,000	(paid)
On first anniversary	200,000	(paid)
On second anniversary	300,000	
On third anniversary	400,000	
On fourth anniversary	500,000	
	1,600,000	

Upon acquisition of the 90% interest, the Company has the right to purchase the remaining 10% interest for SEK 5,000,000.

On January 11, 2010, the Company entered into an agreement whereby the optionee could earn a 70% interest (the "Interest") in the Company's acquired interest in the Orrbacken Project by spending AUS $2,000,000 over five years. The optionee will also pay AUS $300,000 to the Company upon the transfer of the Interest.

(ii) The Company has entered into option agreements with the shareholders of Altynor Peru S.A.C. ("Altynor Peru") whereby the Company can acquire a 100% ownership interest in Altynor Peru by making payments totalling US $600,000 of which US $50,000 has been paid and US $550,000 is payable on receipts of permits to drill.

Altynor Peru holds an option to purchase a 100% undivided interest in nine exploration permits (the "Alto Quemado Property") from Alto Quemado Mining Company S.A.C. ("Alto Quemado"). Altynor Peru must make payments totalling Euro 2.56 million to acquire 100% of the mining rights from Alto Quemado. Alto Quemado retains a 3% net smelter return which Altynor Peru may purchase. If production is not achieved within four years another payment of Euro 2.56 million is due. Upon acquiring the 100% interest in Altynor Peru the Company will also pay the shareholders of Altynor Peru a success fee of US $900,000, in cash or common shares of the Company, should Altynor Peru exercise its option on the Alto Quemado Property.

6. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:

	February 28, 2011		May 31, 2010	
	Shares	Amount $	Shares	Amount $
Balance, beginning of period	42,697,253	24,718,992	38,000,555	23,390,751
Issued during the period				
For cash				
private placement	7,000,000	5,530,000	4,696,698	1,362,042
exercise of stock options	998,500	525,170	-	-
exercise of warrants	10,000	12,000	-	-
Reallocation from contributed surplus				
on exercise of stock options	-	360,290	-	-
	8,008,500	6,427,460	4,696,698	1,362,042
Less share issue costs	-	(22,947)	-	(33,801)
	8,008,500	6,404,513	4,696,698	1,328,241
Balance, end of period	50,705,753	31,123,505	42,697,253	24,718,992

(a) On October 22, 2010, the Company completed a private placement for 7,000,000 units at $0.79 per unit for gross proceeds of $5,530,000. Each unit comprised one common share and one half share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $1.20 per share on or before October 25, 2012.

The Company paid a cash finder's fee of $4,740 and incurred filing fees of $18,207.

(b) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at February 28, 2011 and 2010, and the changes for the nine months ended on those dates is as follows:

	2011		2010	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	4,967,012	0.96	750,000	0.75
Issued	3,500,000	1.20	-	-
Exercised	(10,000)	1.20	-	-
Balance, end of period	8,457,012	1.06	750,000	0.75

6. SHARE CAPITAL (continued)

The following table summarizes information about the number of common shares reserved pursuant to warrants outstanding at February 28, 2011:

Number	Exercise Price $	Expiry Date
750,000	0.75	May 6, 2011
4,217,012	1.00	May 12, 2014
3,490,000	1.20	October 25, 2012
8,457,012		

See also Note 14.

7. STOCK OPTIONS AND STOCK-BASED COMPENSATION

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

During the nine months ended February 28, 2011 the Company granted 2,150,000 (2010 - nil) stock options to its directors, employees and consultants and recorded compensation expense of $1,591,000 (2010 - $nil). In addition the Company recorded compensation expense of $nil (2010 - $5,951) on the vesting of stock options previously granted.

The fair value of stock options granted and vested during the nine months ended February 28, 2011 and 2010 is estimated using the Black-Scholes option pricing model using the following assumptions:

	2011	2010
Risk-free interest rate	1.16% - 1.89%	1.64% - 1.79%
Estimated volatility	134% - 138%	138% - 146%
Expected life	3 years	2.25 years - 2.75 years
Expected dividend yield	0%	0%

The weighted average fair value of all stock options granted during the nine months ended February 28, 2011 was $0.74 (2010 - $0.23) per option.

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

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

A summary of the Company's stock options at February 28, 2011 and 2010, and the changes for the nine months ended on those dates, is presented below:

	2011		2010	
	Options Outstanding	Weighted Average Exercise Price $	Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	1,600,000	0.52	3,523,250	1.25
Granted	2,150,000	0.93	-	-
Exercised	(998,500)	0.53	-	-
Cancelled / expired	(120,000)	0.77	(1,053,250)	0.83
Balance, end of period	2,631,500	0.84	2,470,000	1.42

The following table summarizes information about the stock options outstanding and exercisable at February 28, 2011:

Number Outstanding and Exercisable	Exercise Price $	Expiry Date
285,000	0.50	May 19, 2012
106,500	0.32	March 5, 2013
100,000	0.41	May 3, 2013
1,990,000	0.82	October 18, 2013
150,000	2.35	February 14, 2014
2,631,500		

8. CONTRIBUTED SURPLUS

The Company's contributed surplus at February 28, 2011 and 2010, and the changes for the nine months ended on those dates is presented below:

	2011 $	2010 $
Balance, beginning of period	3,686,406	3,550,917
Stock-based compensation on stock options (Note 7)	1,591,000	5,951
Stock options exercised	(360,290)	-
Balance, end of period	4,917,116	3,556,868

9. RELATED PARTY TRANSACTIONS

During the nine months ended February 28, 2011 the Company:

i) incurred $98,900 (2010 - $95,750) for accounting, administration, professional fees and rent provided by certain directors of the Company or private corporations owned by the directors;
ii) incurred $145,000 (2010 - $167,251) for management fees provided by a private corporation owned by officers of the Company, of which $nil (2010 - $21,499) was capitalized to unproven mineral interests and $145,000 (2010 - $145,752) charged to management fees. The management agreement provides that in the event services are terminated without cause or upon a change of control of the Company, a termination payment of two years of compensation, at $13,500 per month, is payable. If the termination had incurred on February 28, 2011, the amount payable under the agreement would be $324,000;
iii) incurred $9,900 (2010 - $4,400) for shared administration and other costs with Tumi, a public company with common directors and officer; and
iv) recovered $40,624 (2010 - $nil) for shared office personnel and costs from Tasman Metals Ltd., a public company with common directors and officers.

As at February 28, 2011, $27,000 (2010 - $15,250) was included in accounts payable and accrued liabilities.

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

10. SEGMENTED INFORMATION

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

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

	February 28, 2011				
	Corporate	Mineral Operations			Total
	Canada $	Sweden $	Finland $	Peru $	$
Current assets	12,641,017	104,848	-	120,044	12,865,909
Investments	731,500	-	-	-	731,500
Property and equipment	16,839	80,751	-	254,270	351,860
Unproven mineral interests	-	4,226,970	2,653,092	556,644	7,436,706
	13,389,356	4,412,569	2,653,092	930,958	21,385,975

	May 31, 2010				
	Corporate	Mineral Operations			Total
	Canada $	Sweden $	Finland $	Peru $	$
Current assets	9,402,767	225,599	-	53,324	9,681,690
Investments	663,544	-	-	-	663,544
Property and equipment	16,038	124,883	-	-	140,921
Unproven mineral interests	-	4,114,246	1,528,432	10,776	5,653,454
	10,082,349	4,464,728	1,528,432	64,100	16,139,609

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Under Canadian GAAP financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, which are the same as their fair values, are classified into the following categories:

Financial Instrument	**Category**	**February 28, 2011 $**	**May 31, 2010 $**
Cash and cash equivalents	Held-for-trading	329,766	7,532,677
Short-term deposits	Held-for-trading	12,432,573	2,000,000
Investments - common shares	Available-for-sale	700,500	627,544
Investments - warrants	Held-for-trading	31,000	36,000
Amounts receivable	Loans and receivables	62,255	128,106
Accounts payable and accrued liabilities	Other liabilities	(252,437)	(211,740)

The recorded amounts for cash and cash equivalents, short-term deposits, amount receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's carrying value and fair value of cash and cash equivalents, short-term deposit and common shares investments under the fair value hierarchy is measured using Level 1 inputs. The Company's carrying value and fair value of warrant investments under the fair value hierarchy is measured using Level 2 inputs.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company prepares expenditure budgets which are regularly monitored and updated as considered necessary. To facilitate its exploration program and ongoing corporate, general and administrative overhead, the Company raises funds through private equity placements, public offerings and option agreements with third parties. As at February 28, 2011, the Company's financial liabilities consist of accounts payable and the accrued liabilities.

Interest Rate Risk

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

Foreign Currency Exchange Rate Risk

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

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

At February 28, 2011, 1 Canadian Dollar was equal to 6.52 SEK, 1.03 US Dollar and 2.86 Peruvian Soles.

Balances are as follows:

	Swedish Kronors	United States Dollars	Peru Soles	CDN $ Equivalent
Cash	1,090,095	21,109	173,266	248,269
Amounts receivable	226,326	-	26,963	44,140
Accounts payable and accrued liabilities	(831,860)	-	(26,349)	(136,799)
	484,561	21,109	173,880	155,610

Based on the net exposures as of February 28, 2011, and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the SEK, US Dollar and Peruvian Soles would result in the Company's net loss being approximately $14,000 higher (or lower).

12. CAPITAL MANAGEMENT

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

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

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

13. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended February 28, 2011 and 2010 non-cash activities were conducted by the Company as follows:

	2011 $	2010 $
Operating activity		
(Decrease) increase in accounts payable and accrued liabilities	121,494	-
Investing activity		
Expenditures on unproven mineral interests	(121,494)	-

14. SUBSEQUENT EVENTS

Subsequent to February 28, 2011 the Company issued 125,000 common shares for proceeds of $148,100 on the exercise of warrants and stock options.

See also Note 4(b)(ii).

Schedule I

MAWSON RESOURCES LIMITED

INTERIM CONSOLIDATED SCHEDULE OF UNPROVEN MINERAL INTERESTS

	Nine Months Ended February 28, 2011					Year Ended May 31, 2010
	Sweden		Finland	Peru		
	Uranium Projects	Other Projects	Uranium Projects	Gold/Copper Projects	Total	Total
	$	$	$	$	$	$
BALANCE - BEGINNING OF PERIOD	4,107,055	7,191	1,528,432	10,776	5,653,454	5,265,296
EXPENDITURES						
Assays	-	-	-	16,472	16,472	-
Consulting	3,448	-	332,118	34,348	369,914	14,691
Database	-	-	2,063	-	2,063	2,060
Drilling	-	-	-	-	-	72,998
Exploration site	15,212	-	90,545	144,256	250,013	14,984
Field equipment	-	-	-	4,875	4,875	-
Field workers	-	-	-	12,954	12,954	-
Fuel	1,995	-	8,193	1,657	11,845	7,462
Geochemical	-	-	188,300	-	188,300	8,144
Geological	2,253	-	249,674	23,314	275,241	75,356
Logging	-	-	-	-	-	14,133
Maps	-	-	4,147	-	4,147	3,747
Salaries	15,909	-	173,008	103,057	291,974	54,576
Topography	-	-	-	-	-	-
Travel	8,151	-	26,703	12,869	47,723	27,837
VAT	-	-	-	44,256	44,256	-
Vehicle rental	-	-	28,294	22,824	51,118	21,925
	46,968	-	1,103,045	420,882	1,570,895	317,913
ACQUISITION COSTS						
Staking fees	-	-	-	76,500	76,500	10,776
Permits	65,756	-	21,615	-	87,371	1,514,892
Option payment	-	-	-	48,486	48,486	-
	65,756	-	21,615	124,986	212,357	1,525,668
	112,724	-	1,124,660	545,868	1,783,252	1,843,581
BALANCE BEFORE THE FOLLOWING	4,219,779	7,191	2,653,092	556,644	7,436,706	7,108,877
WRITE-OFF	-	-	-	-	-	(1,455,423)
BALANCE - END OF PERIOD	4,219,779	7,191	2,653,092	556,644	7,436,706	5,653,454