

# MAWSON RESOURCES LIMITED

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2019

### Background

This discussion and analysis of financial position and results of operations is prepared as at January 14, 2020, and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended November 30, 2019 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.

### Forward Looking Statements

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 report 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 Finland, Australia and the USA. Mawson is managed by resource industry professionals with significant exploration and capital market expertise. Mawson's primary exploration focus is on the Rompas-Rajapalot gold-cobalt project in Finland, and in particular, the Rajapalot area, host to the Company's maiden National Instrument 43-101 Inferred Mineral Resource (the "NI 43-101 Technical Report") published in December 2018 for the Raja and Palokas Prospects. The resource estimation was completed by Rodney Webster of AMC Consultants Pty Ltd ("AMC") of Melbourne, Australia, and Dr. Kurt Simon Forrester of Arn Perspective of Surrey, England. Each of Mr. Webster and Dr. Forrester are independent "qualified persons" as defined by National Instrument 43-101.

The NI 43-101 Technical Report is entitled “Rajapalot Property Mineral Resource Estimate NI 43-101 Technical Report” and dated December 14, 2018. The NI 43-101 Technical Report may be found on the Company’s website at [www.mawsonresources.com](http://www.mawsonresources.com) or under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are encouraged to read the entire NI 43-101 Technical Report.

Mawson is focused on increasing gold and cobalt resources at Rajapalot, demonstrating the scale of the mineralized system and finding new mineralized bodies. The project has recently pivoted from an exploration project to resource expansion, with 83% of the 49.3 kilometres of drilling completed over the last 3 drill seasons. Nevertheless, the average drill hole depth remains 114 metres, with one mineralized body already drilled to 500 metres down plunge. All three mineralized bodies (inferred resources) defined to date are associated with electromagnetic conductors that extend each system to at least 800 -1,000 metres.

The Company is permitted within 4 exploration permit areas (4,263 hectares) to all-year-round drilling. Additionally, the Company is currently permitted via enforcement of a 3-year permit (from January 2019) to drill from 200 platforms (from 529 optional sites) plus 76 existing drill platforms within the 1,462 hectare Kairamaat 2/3 exploration permit area. This is the longest and best permit the Company has received in this area and provides a runway to drill and define further resources during this period. Drilling is restricted to winter in Kairamaat 2-3, although it is possible to drill for resource extensions from summer permitted areas.

Although already superseded by the 15,059 metre drill program completed in early 2019, the NI 43-101 Technical Report estimate was a strong start and an important milestone for both Mawson and Finland. The resource calculation demonstrated the robustness and high-grade of gold-cobalt mineralization, and, highlighted the potential for substantial resource expansion with recently surveyed electromagnetic conductors that closely correspond with the resource area, potentially more than doubling the size of the mineralized footprint. These are what formed the immediate drill targets for the Company’s 2019 and drill campaign, where four drill rigs tested step-out targets from the resource.

The December 2018 inferred resource calculation defined a pit and underground Constrained Inferred Mineral Resource of 424,000 ounces of gold at 3.1 g/t gold equivalent (“AuEq”) (4.3 million tonnes at 2.3 g/t Au, 430 ppm Co) at 0.37 g/t AuEq cut-off open pit and 2 g/t AuEq underground was calculated, within a combined Unconstrained Inferred Mineral Inventory for the Palokas and Raja prospects of 482,000 ounces AuEq at a grade of 2.4 g/t AuEq (6.2 million tonnes at 1.7 g/t Au, 410 ppm Co) at 0.4 g/t AuEq cut-off. The gold equivalent (“AuEq”) value was calculated using the following formula:  $AuEq\ g/t = Au\ g/t + (Co\ ppm/608)$  with assumed prices of Co \$30/lb; and Au \$1,250/oz. AuEq varies with Au and Co prices.

Following the 2019 drill program an exploration target of 0.8-1.0 million ounces between 3-5 g/t AuEq is now estimated to exist within the three mineralized bodies of Palokas, South Palokas and Rajapalot. However, the potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration drilling to increase the mineral resource and it is uncertain if further exploration will result in the exploration target being delineated as a mineral resource.

Given the continuity demonstrated by fixed loop electromagnetic (“EM”) conductors and the linear nature of gold-cobalt mineralization, the Company believes that significantly more mineralization can be defined down-plunge from the known inferred mineral resources. Further fixed loop EM surveys will also aid in defining further blind mineralized bodies.

In the 2019 winter diamond drill program, Mawson completed 44 holes (PAL0159–PAL0201D1) for 15,059 metres (two short holes abandoned, one wedged hole). Highlights from the winter program are:

1. Significant growth in the mineralized footprint based on high-grade gold-cobalt drill intersections well past the known resource areas at Raja, Palokas and South Palokas.
2. Direct targeting of mineralization is aided by both:
  - (i) a strong correlation of high-grade gold-cobalt intersections with electromagnetic conductors that provide a large upside footprint for increasing the resources in future drill campaigns; and,
  - (ii) recognition of a strong linear vertical control to high-grade gold-cobalt was determined during the drilling season resulting in a remarkable drill success rate where 8 of the top 12 holes for the season were drilled in the last quarter of the program.

A major 15 kilometre resource expansion drill program, started in November 2019, is now ongoing. Five drill rigs will be operating by early January 2020 when winter conditions allow. The drill program aims to infill and extend the Palokas, South Palokas and Raja resource areas delivering the data for an updated resource estimate at the end of calendar Q2 2020.

Finland refines half of the world's cobalt outside of China. The world's largest cobalt refinery is located 400 kilometres south of Rajapalot, where CRU Group ("CRU"), an independent market analysis company, estimates annual refining of 22,734 tonnes of cobalt (approximately 18% of world refined cobalt production), 90% of which was sourced from Chinese-owned mines in the Democratic Republic of Congo. Finland mines only 650 tonnes or 0.5% of the world's cobalt per year. The Rajapalot resource has the potential to support Finland's desire to source ethical and sustainable cobalt.

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

In addition to the extracts from the NI 43-101 Technical Report contained herein, the technical information provided under Exploration Projects was prepared by Mawson and reviewed by Dr. Nick Cook, the Company's President, as the Company's Qualified Person.

## Exploration Projects

### *Finland*

As of the date of this MD&A the Company held a total of 5 granted exploration permits and 11 exploration permit applications and reservations.

#### *Summary of Claims at Rompas-Rajapalot Project*

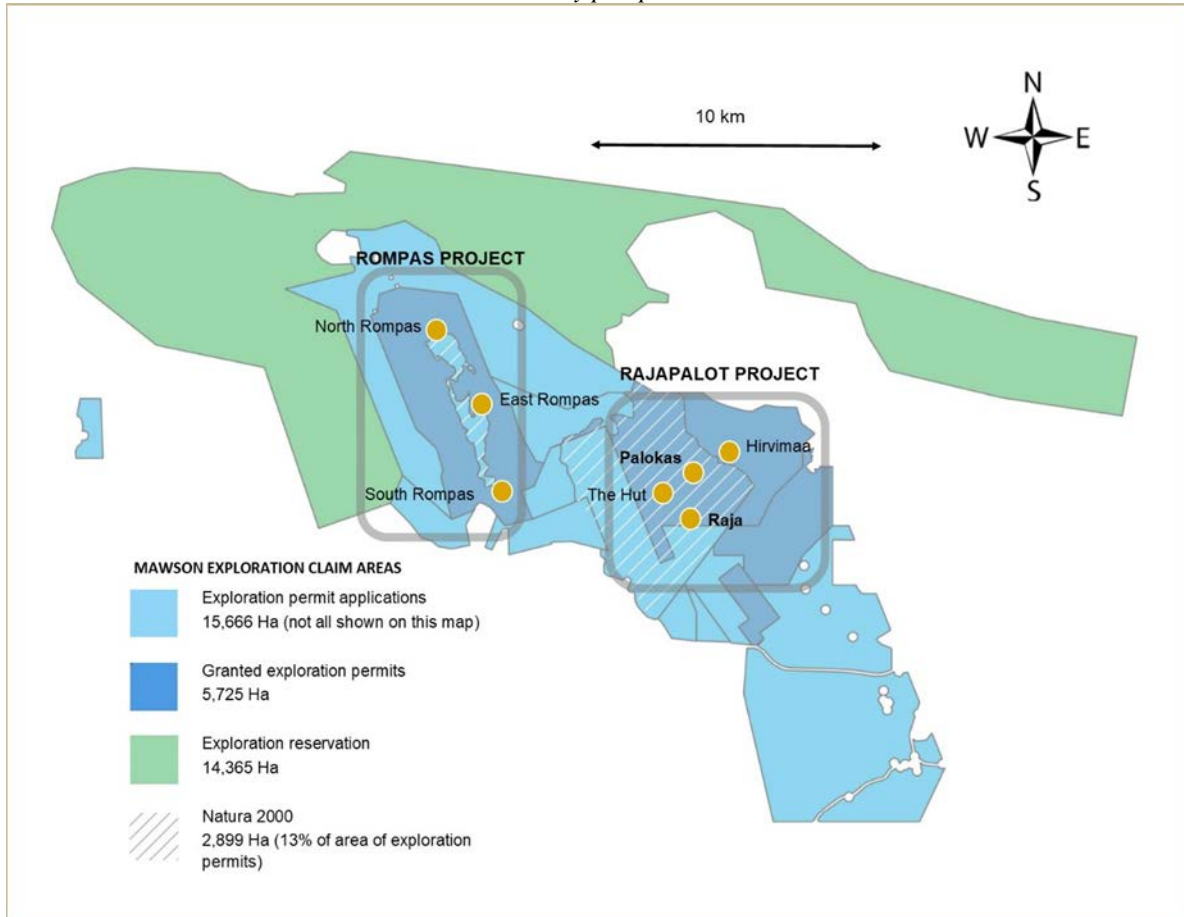
Permit Type	Name	Mining Registry Number	Area (hectares)
Exploration Permit	Raja	ML2014:0061-01	883
Exploration Permit	Männistö	ML2016:0046-01	2,141
Exploration Permit	Korkiakoivikko	ML2012:0168-01	232
Exploration Permit*	Kairamaat 2-3	ML2013:0041-02	1,462
Exploration Permit	Hirvimaa	ML2014:0033	1,007
<b>Total</b>			<b>5,725</b>
Exploration Permit Application	Rompas	ML2014:0060-01	265
Exploration Permit Reservation	Takanenvuoma	VA2019:0047	14,365
Exploration Permit Application	Vatsa	ML2015:0017	371
Exploration Permit Application	Kultamaat	ML2015:0005-01	529
Exploration Permit Application	Karsimaat	ML2014:0075-01	2,777
Exploration Permit Application	Uusi Rumavuoma	ML2015:0042-01	1,283
Exploration Permit Application	Kaitajärvi E-M-W	ML2014:0100-01	802
Exploration Permit Application	Mäntylaenokka N -S	ML2015:0054-01	398
Exploration Permit Application	Kuusivaara	ML2014:0077-01	4,565
Exploration Permit Application	Petäjaskoski	ML2014:0117	3,031
Exploration Permit Application	Petäjävaara	ML2014:0074	1,645
<b>Total</b>			<b>30,031</b>

\* Exploration Permit granted but not in legal force, under appeal and enforced to allow continuing exploration.

### *Rompas-Rajapalot Gold - Cobalt Project*

The Rompas-Rajapalot project is a discovery in Northern Finland where high-grade gold and cobalt have been found within an area approaching 10 km by 10 km. The nature of the terrain and all-weather access allows year-round exploration work across more than 70% of the area. Winter access is possible in the remaining area when ice and snow conditions permit, usually after mid-December each year.

Figure 1: Mawson granted permits, applications and reservations, location of Rajapalot and Rompas project areas and key prospects



### Rajapalot Disseminated Gold - Cobalt Project - Resources

Resource estimations at Rajapalot were completed for the Raja and Palokas prospects by AMC in December 2018. The two prospects lie approximately 2.0 kilometres apart within the same geological host sequence (Figure 2 below). The calculation represents the first resource estimate for the Rajapalot Gold-Cobalt Project. AMC reported both a “constrained” and “unconstrained” resource, where the constrained resource has used spatial restrictions of a Whittle™ pit at a gold price of USD \$1,250 per ounce and a cobalt price of \$30/lb. The gold equivalent (“AuEq”) value was calculated using the following formula:  $AuEq\ g/t = Au\ g/t + (Co\ ppm/608)$  with assumed prices of Co \$30/lb; and Au \$1,250/oz. AuEq varies with Au and Co prices.

Highlights from the maiden inferred resource calculation include:

1. A pit and underground Constrained Inferred Mineral Resource of 424,000 ounces of gold at 3.1 g/t AuEq (4.3 million tonnes at 2.3 g/t Au, 430 ppm Co) at 0.37 g/t AuEq cut-off open pit and 2 g/t AuEq underground was calculated, within a combined Unconstrained Inferred Mineral Inventory for the Palokas and Raja prospects of 482,000 ounces gold equivalent (“AuEq”) at a grade of 2.4 g/t AuEq (6.2 million tonnes at 1.7 g/t Au, 410 ppm Co) at 0.4 g/t AuEq cut-off. The gold equivalent (“AuEq”) value was calculated using the following formula:  $AuEq\ g/t = Au\ g/t + (Co\ ppm/608)$  with assumed prices of Co \$30/lb; and Au \$1,250/oz. AuEq varies with Au and Co prices.
2. The Constrained Inferred Resource demonstrates the high grade of Rajapalot with open-pittable grades of 2.8 g/t AuEq (2.1 g/t Au and 420 ppm Co) and underground grades of 5.2 g/t AuEq (4.4 g/t Au and 520 ppm Co) (Table 1).

3. Electromagnetic fixed-loop transient (“TEM”) and airborne VTEM<sub>plus</sub> (“VTEM”) surveys at least double the potential mineralization footprints at the Raja, South Palokas and Palokas prospects and form immediate targets.
4. The Inferred Resource has substantial potential to grow, with only 20% (800 metres) of the 4 kilometres known mineralized trend included within the maiden resource to relatively shallow depths (average depth of drilling 88 metres within 34.2 kilometres drilled to date at Rajapalot).
5. The publication of the maiden Inferred gold-cobalt Mineral Resource establishes Rajapalot as a significant and strategic gold-cobalt resource for Finland. The unconstrained maiden inventory places Rajapalot as one of Finland’s current top three gold projects by grade and contained ounces and one of a small group of cobalt resources prepared in accordance with NI 43-101 policy within Europe.

Figure 2: Plan view of Rajapalot showing areas included in maiden resource calculation, key drill intercepts included in resource and host geological units

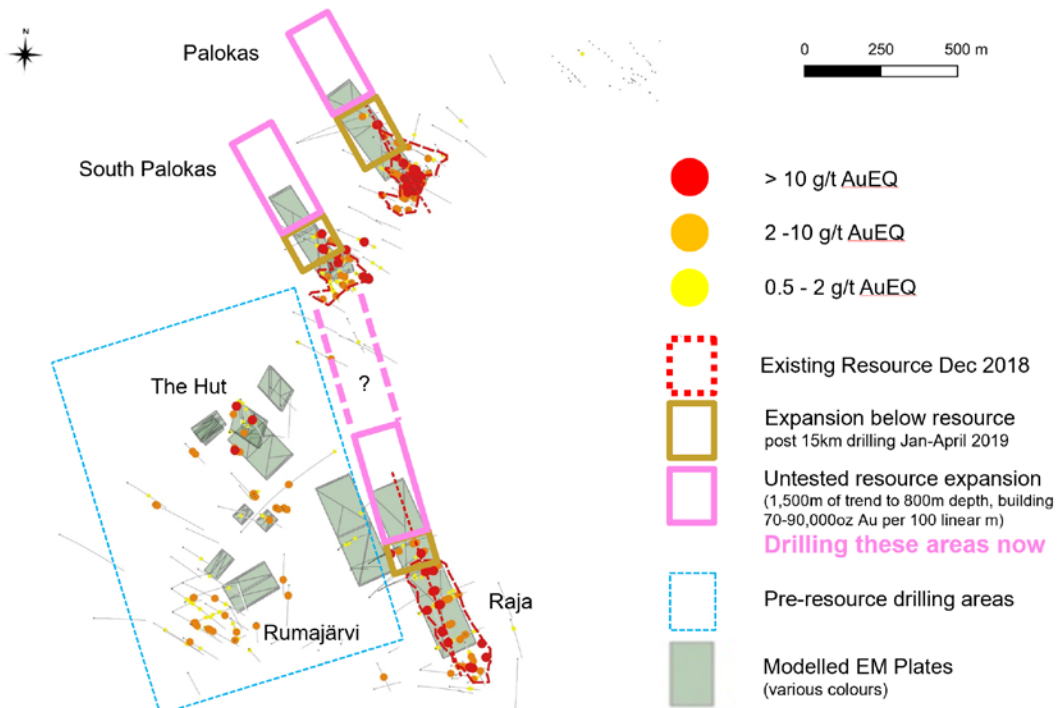


Table 1: Total constrained Inferred Mineral Resources Estimate as of December 14, 2018, at the cut-offs listed for constrained open pit and underground resources at Raja and Palokas.

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

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

Cut-off (AuEq)	Tonnes (kt)	AuEq (g/t)	Au (g/t)	Co (ppm)	AuEq (koz)	Au (koz)	Co (tonnes)
0.2	6,335	2.4	1.7	402	485	347	2,548
0.4	6,156	2.4	1.7	410	482	345	2,522
0.6	5,680	2.6	1.9	429	475	345	2,434
0.8	5,000	2.8	2.1	451	456	339	2,256
1.0	4,198	3.2	2.5	482	435	334	2,024
1.2	3,555	3.6	2.8	501	416	321	1,781
1.4	3,046	4.0	3.2	513	395	313	1,564
1.6	2,600	4.5	3.6	522	380	304	1,357
1.8	2,222	5.0	4.2	527	360	300	1,170
2.0	1,904	5.6	4.7	533	340	290	1,016
2.2	1,721	6.0	5.1	534	331	281	918
2.4	1,518	6.5	5.6	533	318	274	810
2.6	1,374	6.9	6.0	539	306	266	740
2.8	1,229	7.5	6.6	539	294	259	662
3.0	1,123	7.9	7.0	550	284	251	617
3.2	1,009	8.4	7.5	565	273	244	570
3.4	932	8.9	8.0	563	266	239	525
3.6	846	9.5	8.6	554	258	233	469
3.8	789	9.9	9.0	545	251	228	430
4.0	728	10.3	9.5	547	242	223	398
4.2	671	10.9	10.1	530	236	217	356
4.4	631	11.3	10.5	526	230	213	332
4.6	586	11.9	11.0	516	223	207	302
4.8	543	12.5	11.6	514	217	202	279
5.0	521	12.8	12.0	511	214	201	266

#### Resource Methodology

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

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

Cut-off	Tonnes (kt)	AuEq (g/t)	Au (g/t)	Co (ppm)
0.2	3,738	2.9	2.2	403
0.4	3,720	2.9	2.2	405
0.6	3,576	3.0	2.3	416
0.8	3,243	3.2	2.5	434
1.0	2,786	3.6	2.9	464
1.2	2,444	4.0	3.2	480
1.4	2,203	4.3	3.5	493
1.6	1,926	4.8	3.9	508
1.8	1,661	5.3	4.5	516
2.0	1,414	5.9	5.1	529
2.2	1,270	6.4	5.5	531
2.4	1,098	7.1	6.2	530
2.6	987	7.6	6.7	538
2.8	870	8.3	7.4	537
3.0	805	8.7	7.8	549
3.2	719	9.4	8.5	566
3.4	660	10.0	9.1	563
3.6	593	10.8	9.9	550
3.8	547	11.4	10.5	535
4.0	503	12.0	11.2	536
4.2	460	12.8	12.0	512
4.4	435	13.3	12.5	504
4.6	406	13.9	13.1	487
4.8	375	14.7	13.9	482
5.0	357	15.2	14.5	476

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

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

## ***Cobalt in Finland***

Finland plays a significant role in the global cobalt supply chain. The Democratic Republic of the Congo (“DRC”) mined 54% of the world’s cobalt in 2016 whilst 80% of cobalt used in lithium-ion batteries is refined in China.

Half of the world’s non-Chinese production (10% of total production) comes from Freeport Cobalt, the world’s largest single cobalt refinery, located only 400 kilometres from Mawson’s Rajapalot project in Kokkola, Finland. Freeport Cobalt is a joint venture between Freeport-McMoRan (56%), Lundin Mining Corporation (24%) and La Générale des Carrières et des Mines (20%) (or Gécamines, the DRC state mining company). A significant amount of feedstock for Freeport Cobalt comes via a long-term supply agreement with the Chinese-owned Tenke Fungurume mine in the DRC. A future Finnish domestic source of cobalt from Rajapalot would satisfy the recent announcements by Finland and Sweden that the countries will work together on a traceable ledger for sustainable minerals, which are considered crucial for achieving climate goals.

Owing to the growth in the electrification of transport and need for storage of renewable energy, the battery sector has become an important driver of cobalt demand. Demand for lithium-ion batteries is surging, which is expected to support both price and volume for the cobalt market for years to come. With cobalt on the European Commission’s critical raw minerals list, there is a strong mandate to secure local and ethical supplies of cobalt, which are likely to contribute to further tightened supply.

### ***Rajapalot Disseminated Gold-Cobalt Project - Exploration***

The 100% owned gold-cobalt Rajapalot discovery hosts numerous hydrothermal gold-cobalt prospects drilled between 2013 and April 2019 within a 3 by 4 kilometre area. A total 83% of drill metres has been completed in the last 3 years.

Mineralization at Raja and Palokas prospects occurs as replacement bodies with both structural and stratigraphic controls. Refer to Tables 1-4 above for resources by zone, which remain open in multiple directions. Drilling in 2019 discovered significant down-plunge extensions to the inferred resources at Palokas, South Palokas and Raja prospects.

### ***Rajapalot Diamond Drilling***

At the completion of the 2019 winter program, a total of 49,293.4 metres have been drilled at Rajapalot with an average depth of drill holes being 114.0 metres. A total of 32 holes for 6,813.4 metres and 87 holes for 8,354.3 metres (total 119 holes for 15,167.7 metres with an average depth of 127.5 metres) were used within the December 2018 maiden resource estimation at Raja and Palokas respectively. The 2019 drill program, which is not included in the 2018 inferred resource calculation, completed 44 holes for 15,059 metres with two holes abandoned (a total of 30% of drilling at Rajapalot).

*Table 5: Drilling history at Rajapalot to August 27, 2019*

<b>Drill Program</b>	<b>Number of Holes</b>	<b>Year</b>	<b>Drilled (m)</b>	<b>Cumulative Average Hole Length (m)</b>	<b>Core Diameter</b>	<b>Drill Company</b>
<b>PAL0001-PAL0007</b>	8	2013	757.1	94.6	NQ=47.6 mm, HQ=63.5 mm	ADC
<b>PRAJ0001-PRAJ0120</b>	120	2013-2016	3,431.4	32.7	EW=25.2 mm	Mawson
<b>LD0001-LD0120</b>	120	2014	873.8	20.4	BQ=36.4 mm	Ludvika Borrteknik AB
<b>PAL0008-PAL0025</b>	18	2015-2016	3,290.1	31.4	NTW=56.0 mm	Energold
<b>PAL0026-PAL0082</b>	57	2017	11,139.2	60.3	NQ2=50.7 mm, NTW=56.0 mm	ADC, MSJ Drilling, KATI Oy
<b>PAL0083-PAL0147</b>	65	2018	14,742.8	88.2	NQ2=50.7 mm, WL76=57.7 mm	ADC, MK Core Drilling Oy, KATI Oy
<b>PAL0148-PAL0201D</b>	44	2019	15,059	114.1	NQ2=50.7 mm	ADC, MK Core Drilling Oy, KATI Oy
<b>Total</b>	<b>432</b>		<b>49,293.4</b>			



Table 6: Summary of the top drill intersections from early 2019 campaign coloured by grade-width of intersection.

Prospect	Hole ID	From (m)	To (m)	Width (m)	Au (g/t)	Co (ppm)	AuEq (g/t)	g-w
Raja	PAL0188	298.3	329.6	31.3	4.3	1030	6.0	187.8
Raja	PAL0190	359.2	390.7	31.5	4.8	724	5.9	185.9
Palokas	PAL0194	418.7	433.9	15.2	4.3	2566	8.5	129.2
South Palokas	PAL0197	294.3	326.3	32.0	1.4	1556	3.9	124.8
Raja	PAL0191	417.0	438.0	21.0	3.2	481	4.0	84.0
South Palokas	PAL0173	264.0	281.0	17.0	3.0	827	4.3	73.1
South Palokas	PAL0198	169.7	179.7	9.8	4.2	1208	6.1	59.8
Rumajärvi	PAL0182	86.3	93.7	7.4	3.4	597	4.4	32.6
Raja	PAL0163	416.6	419.4	2.8	<0.1	6604	10.9	30.5
Raja	PAL0159	419.0	437.0	18.0	0.5	547	1.4	25.2
South Palokas	PAL0193	273.0	284.0	11.0	0.4	1044	2.1	23.1
The Hut	PAL0199	140.4	143.4	3.0	6.4	722	7.6	22.8

The true thickness of mineralized intervals at Palokas is interpreted to be approximately 90% of the sampled thickness. The true thickness of the mineralized intervals at Raja, Rumajärvi and The Hut require additional drilling to determine owing to the complicated structural controls.

Combined gold-cobalt mineralized intersections display increased widths and often show better continuity. Mineralogical studies on selected Rajapalot samples indicates that sulphide cobalt mineralization is hosted in cobaltite and cobalt pentlandite that are conventionally mined and processed in other deposits.

Diamond drilling commenced again in November 2019 with a single drill rig testing the down-plunge extensions to the Palokas prospect mineral resource. The first drill hole (PAL0202) down-dip was completed at Palokas at a depth of 769.5 metres. A second wedge hole is ongoing (PAL0202A). Assay results are awaited.

#### Raja Prospect

The Raja gold-cobalt resource formed 75% of the December 2018 Inferred Mineral Resource and extends 575 metres down plunge, with an average depth of 100 metres and each of the 3 mineralized horizons averaging 10 metres width. Gold-cobalt mineralization is a potassic-iron type characterized by muscovite-biotite-chlorite quartz pyrrhotite-rich schist with subordinate albite, iron-magnesium amphiboles and tourmaline which is best developed to date at the Raja prospect. Gold and cobaltite along with scheelite, pyrite, chalcopyrite and bismuth tellurides accompany the silicates.

The mineralization at Raja is concentrated where a sub-vertical linear structure intersects sulphide concentrations in the hinges of minor folds. The gold mineralization is interpreted to have formed subsequent to the peak of high-grade metamorphism and coincident deformation.

Significant intersections in the 2019 drilling campaign included (see Figure 3 long section for details):

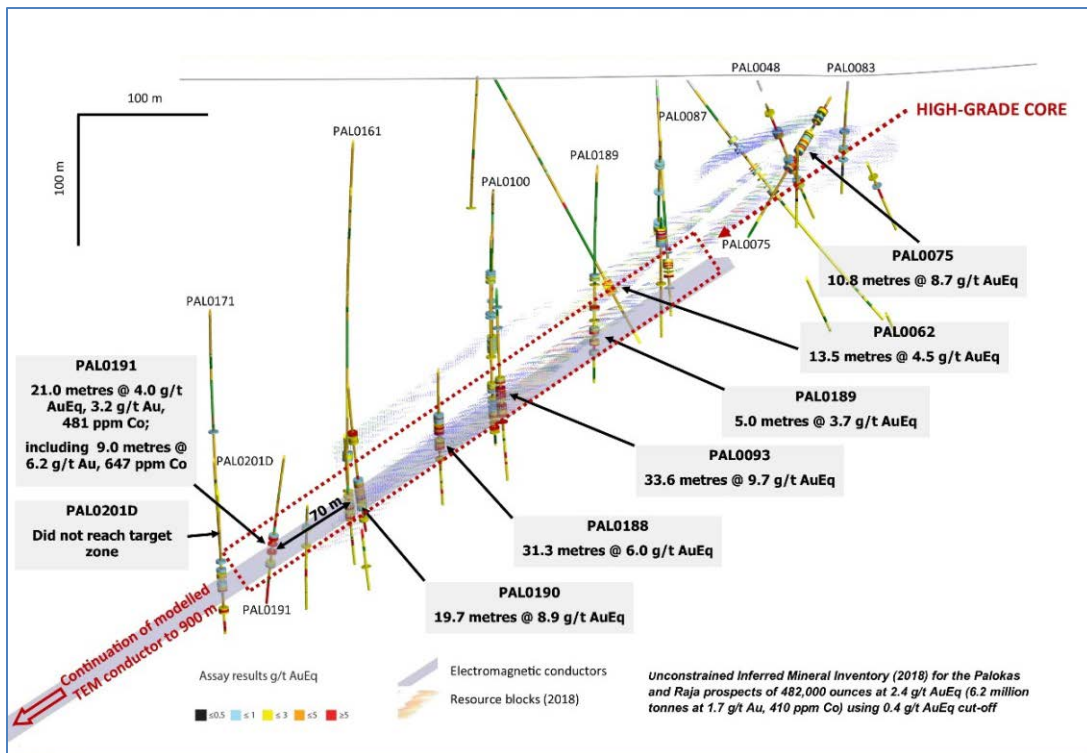
- PAL0191: 21.0 metres @ 4.0 g/t gold equivalent (“AuEq”), 3.2 g/t gold (“Au”) and 481 ppm cobalt (“Co”) from 417.0 metres, including 9.0 metres @ 7.2 g/t AuEq, 6.2 g/t Au and 647 ppm Co from 421.0 metres
- PAL0190: [19.7 metres @ 8.9 g/t AuEq, 7.4 g/t Au and 908 ppm Co from 371.0 metres](#) in May 2019 and located 70 metres up plunge from PAL0191. Additionally, on the same section 30 metres to the east of PAL0190, PAL0118 drilled in 2018 intersected [20.7 metres @ 5.6 g/t AuEq, 3.6 g/t Au, 956 ppm Co from 365.2 metres](#);
- PAL0188: [31.3 metres @ 6.0 g/t AuEq, 4.3 g/t Au and 1,030 ppm Co from 298.6 metres](#) in April 2019 and located 155 metres up plunge from PAL0191;

Drill holes in a section down plunge of the resource, are inferred to lie either side of the linear high-grade gold-cobalt trend and further drilling is required. Drill hole PAL0161 intersected 4.0 metres @ 2.9 g/t gold from 345 metres and PAL0159 intersected 3.0 metres @ 2.3 g/t gold from 434 metres and 3.5 metres @ 2.4 g/t from 452 metres.

Three key aspects for exploration upside at Raja from the 2019 drill program are:

1. The strong correlation of TEM plates to the resource and their continuation down-plunge well past the drilled intersections.
2. The terminations of the TEM plates are a function of the depth of the model, and not a true representation of the limit of down-plunge extent.
3. The late, linear subvertical structural control that produces the intersection with the reactive reduced rocks to form a continuous high-grade gold-cobalt core that aids targeting of high-grade mineralization.

Figure 3: Grade blocks from resource modelling of Raja prospect and location of fixed loop TEM plates showing likely down-plunge extensions to mineralization - view to NNE. Includes 2019 drilling.



### Palokas and South Palokas Prospects

The Palokas gold-cobalt December 2018 Inferred Mineral Resource extends over two separate bodies (Palokas and South Palokas) with at least two mineralized horizons in each. The dimensions of the Palokas resource are 240 metres of strike, depth of 300 metres and 20 metres width. The dimensions of the South Palokas resource are 180 metres of strike, depth of 220 metres and width up to 20 metres. These dimensions have been significantly extended by the 2019 drill program. Mineralization forms within a retrograde mineral alteration assemblage include chlorite, iron-magnesium amphiboles, tourmaline and pyrrhotite commonly associated with quartz veining. Subordinate almandine garnet, magnetite and pyrite occur with bismuth tellurides, scheelite, ilmenite, gold and one of cobaltite or cobalt pentlandite.

Both Palokas and South Palokas have been drilled during the 2019 winter campaign and assays remain outstanding. At South Palokas prospect, drill hole PAL0173 intersected 17 metres @ 3.0 g/t gold from 264 metres, including 5 metres @ 4.9 g/t gold from 264 metres and 5 metres @ 4.6 g/t Au from 276 metres.

Drill hole PAL0194 at Palokas intersected 15.2 metres @ 8.5 g/t gold equivalent (“AuEq”), 4.3 g/t gold (“Au”) and 2,566 ppm cobalt (“Co”) from 418.7 metres and was drilled 275 metres down-plunge from the high-grade gold-cobalt mineralization previously announced (see Figure 4).

A recently completed electromagnetic geophysical survey has outlined strongly conductive bodies immediately down plunge from both the Palokas and South Palokas gold-cobalt resource areas. The modelled conductive plates extend 250-400 metres down dip beyond the resource areas and doubles (South Palokas) or triple (Palokas) the mineralization footprint down plunge to the northwest. The strong conductive response evident in the modelled TEM plates shows the likely growth areas for the resources and matches the known gold-cobalt sulphidic zones based on drill data.

Figure 4: Grade blocks from resource modelling of Palokas prospect and location of fixed loop TEM plates showing likely down-plunge extensions to mineralization - view to NNW.

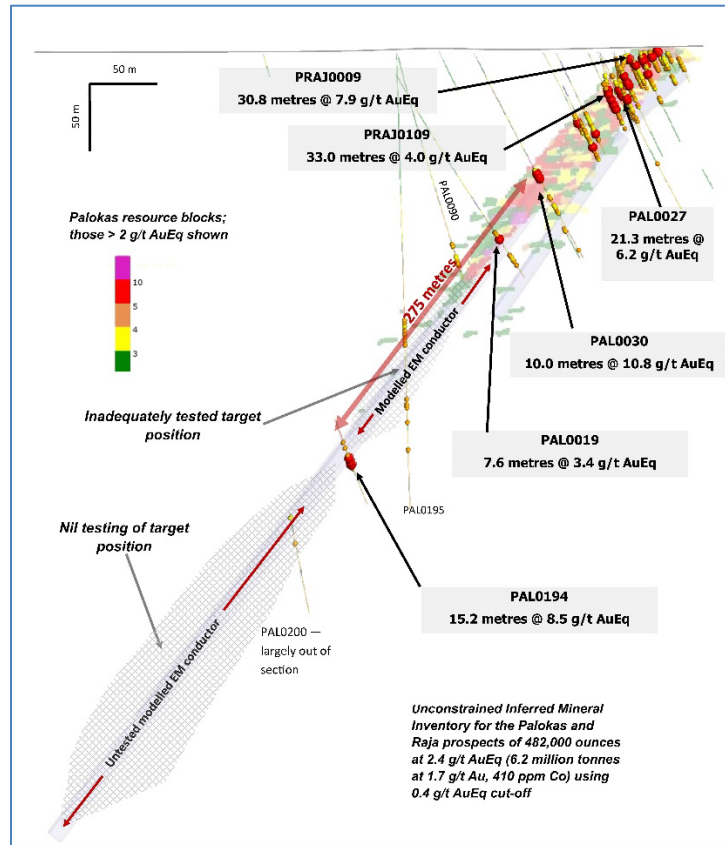


Figure 5: Grade blocks from resource modelling of South Palokas prospect and location of fixed loopTEM plates showing likely down-plunge extensions to mineralization – view to NNW.

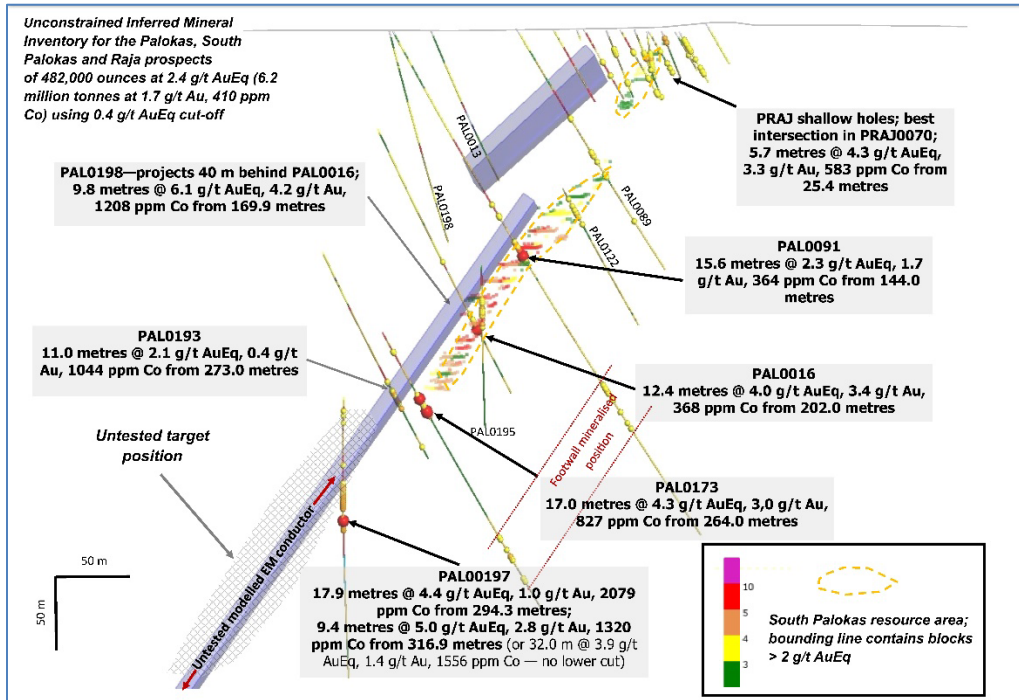
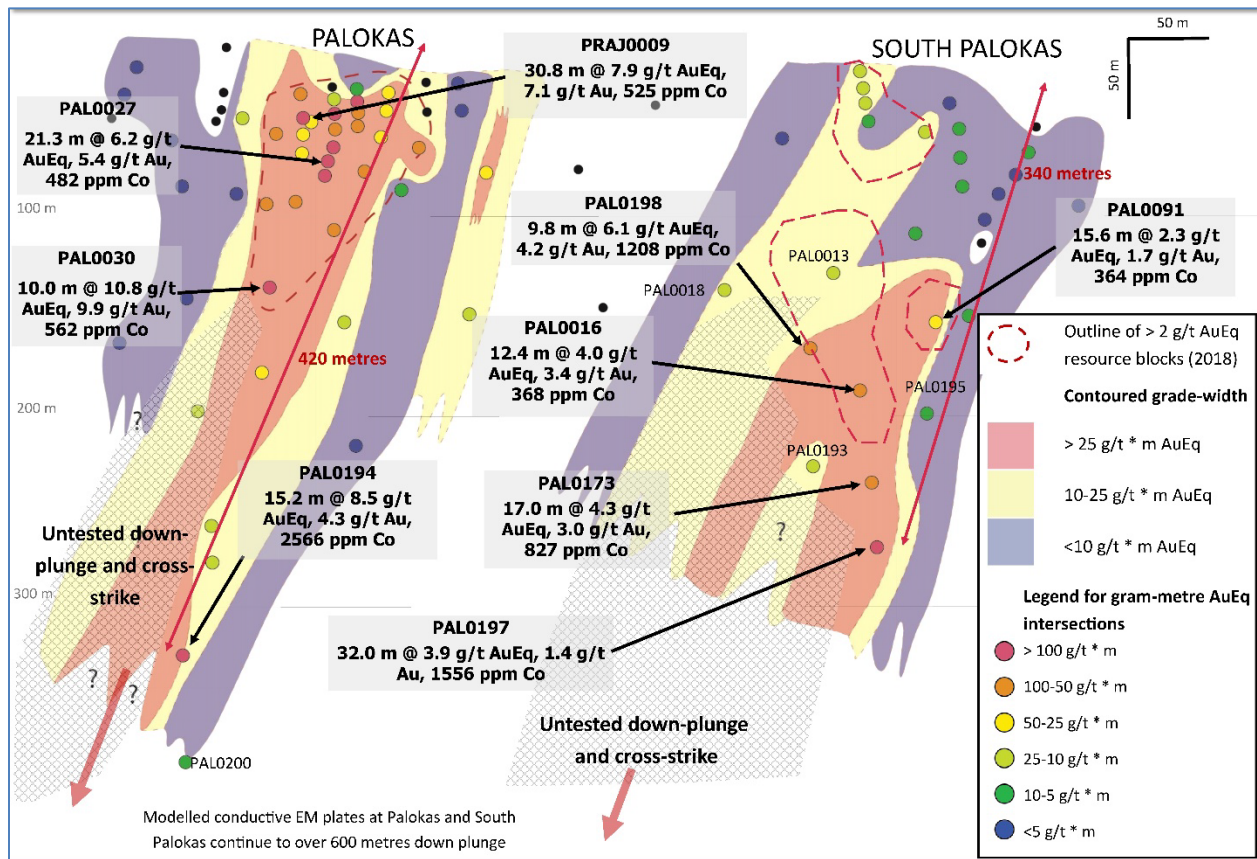


Figure 6: Contoured projection of grade-width intersections in gold equivalent terms made onto a northwesterly dipping plane (i.e. the view is looking down on an angle (60 degrees) from the northwest towards the southeast). Note the large hatched area in this projection showing the area to the north (left) and down plunge to the NW with just a single drill hole. The TEM conductors have been removed for simplicity, but lie within the surface of this image.



### Other Prospect Areas in Rajapalot

The Raja and Palokas prospects cover only 20% (800 metres) of the 4 kilometres known mineralized trend at Rajapalot. The Hut, Terry's Hammer and Rumajärvi prospects within the same trend are still in the early stages of exploration, but have significant potential, as shallow and deeper geophysical anomalies, surface samples (boulders) and initial drilling indicate the correct stratigraphic host sequence and encouraging assay results. Drilling at Terry's Hammer for example, intersected 4.7 metres at 2.1 g/t gold from 65.7 metres in PAL0099, the first large diameter drill test of a combined remanent magnetic/chargeable/conductive anomaly comprising gold-bearing sulphidic rocks in outcrop.

Winter diamond drilling during 2019 was focussed on the areas where the inferred resources were published (Raja, Palokas and South Palokas). The Hut, Terry's Hammer and Rumajärvi prospects are in an earlier stage of exploration, with approximately 30% of the drill metres completed there. Further fixed-loop electromagnetic surveys are required to search for blind mineralization across a majority of the project area.

### Geophysics

A series of airborne (VTEM<sub>plus</sub>) and ground geophysical surveys have been conducted since 2013 to locate the conductive and magnetic mineralization at Rajapalot. More recent work indicates that a combination of ground magnetic surveys, electromagnetics (both airborne and ground) and IP-resistivity methods are the most promising for location of sulphidic gold-cobalt mineralization. The highly conductive nature of the sulphidic host also makes mise-a-la-masse and important tool for tracing the location of near-surface intersections with the ever-present thin glacial till cover. Much of the southeastern portion of Kairamaat 2/3 permit and more than 40 % of Hirvimaa permit is now also covered by gradient array IP/chargeability surveys.

Detailed ground magnetic surveys at line spacings between 100 metres and 15 metres have been completed during 2014-2018. The testing has indicated that 25 metre line spacing is optimum for discovery and geological interpretation. Geological, primarily structural interpretation of the ground magnetic data indicates a complexly refolded and faulted sequence, but still including distinctive and traceable units. Additional magnetic surveys to infill surveys to 25 metres have now been completed across the most prospective portions of Rajapalot.

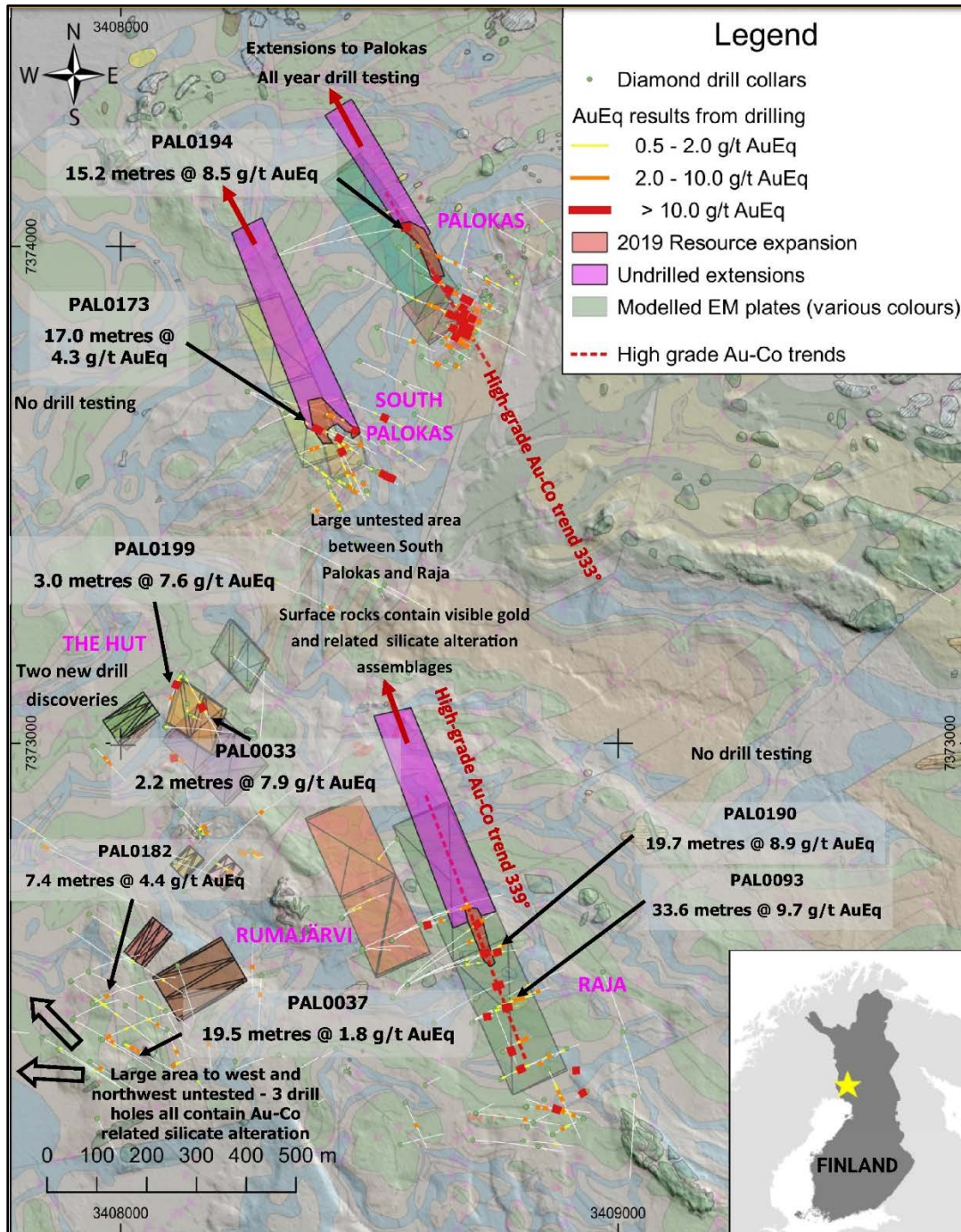
Magnetic pyrrhotite associated with gold-cobalt mineralization typically shows reverse remanent magnetism (“RRM”). Thus, combined RRM-conductive-chargeable anomalies usually represent near-surface sulphides. The coincidence of the three geophysical properties was used to successfully locate the mineralization at Raja and The Hut, and corresponding anomalies at Palokas, South Palokas and Terry’s Hammer indicate the effectiveness of the programs.

A fixed-loop transient electromagnetic (“TEM”) corresponds closely with the resource block model at Raja and defines a strongly conductive body that extends 550 metres down plunge beyond the December 2018 maiden resource area (Figure 3). This conductive body more than doubles the potential Raja mineralization footprint to more than 1 kilometre down plunge and the conductor remains open down plunge to the NNW. Earlier stage airborne VTEM<sub>plus</sub> electromagnetic (“VTEM”) data shows a conductive body which more than doubles the Palokas potential mineralized footprint to 450 metres below the surface (Figure 4).

New TEM surveying during Q1 2019 defined similarly oriented conductors at both Palokas and South Palokas, showing over 450 metres of down-plunge extent to the conductive sulphidic rocks at both prospect areas. Drill testing has revealed that the northern margins of the modelled plates are mineralized. Down-hole electromagnetic surveys have also been conducted in drill holes where indications are present of proximity to sulphidic hosts to gold-cobalt mineralization. Mise à la masse (MALM) surveys to track the surface extent of sulphides show continuity of sulphidic bodies from the deepest drilling to surface at both Raja and South Palokas. Palokas will be tested with MALM later in 2019.

A detailed gravity survey over the Rompas-Rajapalot area was commenced in November 2019 and will be completed early in 2020. Initial results indicate significant anomalies caused by shallow granite intrusions (most likely the drivers of the gold-bearing hydrothermal systems) will form a key component of the geological interpretation.

Figure 7: Map of Rajapalot project showing planned areas of drilling (purple), existing TEM modelled plates, gold-equivalent intersections, high-grade gold-cobalt trends, and new intersections at The Hut (PAL0199) and Rumajärvi (PAL0182) prospects. Note that the Palokas drill hole PAL0202/A is testing the inferred continuity of mineralisation in the purple area to the NW of the PAL0194 intersection.



### Geology of Mineralized Rocks at Rajapalot

The style of mineralization at Rajapalot is predominately sulphidic and of a disseminated or replacement style, generally concentrated adjacent to linear, or sub-linear near-vertical structures (faults and veins). Hydrothermal alteration precipitated gold and sulphide in reactive host rocks, typically those already sulphidic. Grade thickness variations occur, and the best intersections to date are those where foliated sulphides in fold hinges and brecciated rocks are present prior to the gold. Most of the mineralization at Rajapalot consists of sulphide (pyrrhotite>>pyrite), magnetite, biotite, muscovite and chlorite hydrothermal mineral assemblages hosted in predominately

muscovite-biotite schists and grey albitites. Variations in gold-cobalt mineralization style occur, from an end member of sulphidic, potassic iron-rich rocks (K-Fe type, for example at Raja prospect) through to iron and magnesium-rich (Fe-Mg type) hydrothermally altered sulphidic rocks such as those at Palokas. Textures range from veined albitic granofels through fractured and brecciated to locally schistose. Veining and fracture fill minerals include pyrrhotite, magnetite and magnetite-pyrrhotite (+/- quartz). Local retrograde chlorite after biotite and vein-controlled chlorite +/- tourmaline and magnetite are also present. Preliminary hand-held XRF analysis confirms the presence of associated scheelite and molybdenite, the former visible under UV light as tiny veinlets and disseminations. The iron-rich nature of the mineralized rocks is a common theme in either the oxide or sulphide form, with a variably sulphidic and chloritic overprint. The alteration immediately surrounding the mineralised resources is clearly post-metamorphic, reduced, and most likely driven by granitoid intrusions. Distal propylitic alteration is generally oxidised commonly defined by chlorite-actinolite-hematite +/- epidote assemblages. Chlorite, hydrothermal muscovite and quartz are regarded as the lowest temperature silicate minerals with gold, cobaltite, linnaeite, cobalt pentlandite structurally controlled by sub-vertical, linear faults and shears in apparent spatial association with sulphidic fold hinges and planar sulphidic host rocks. Altered rocks enclosing the mineralized package contain locally abundant talc and tourmaline.

The disseminated sulphidic gold-cobalt mineralization at Rajapalot remains the primary target for the Company. However, the company interprets that the host strata occur across the full extent of the Rompas-Rajapalot project area and therefore the potential for disseminated sulphidic gold-cobalt mineralization should not be discounted in the Rompas project area.

#### *Surface Sampling*

Surface samples 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 160 boulders and outcrops with >0.1 g/t gold have been discovered within a 4 kilometre by 3 kilometre area at Rajapalot. Gold grades range from 0.1 g/t gold to 3,870 g/t gold, with an average of 74.9 g/t gold and median of 0.71 g/t gold. Samples from boulders are grab samples, which are selective by nature and are unlikely to represent average grades on the property.

A broad area of 4 by 6 kilometres has been tested by 2,775 base-of-till (“BOT”) drill holes (within the Kairamaat 2-3, Hivimaa and Raja permit areas). A further 601 BOT drill holes have been completed in the Männistö permit area surround the Rompas prospect searching for the disseminated style of mineralization.

#### *Metallurgical Testing*

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.

Mawson was selected to be a participant of Finland’s BATCircle consortium, a program designed to value-add to the Finnish battery metals circular economy. BATCircle was founded under the leadership of Aalto University to coordinate research on the battery metal circular economy from exploration to recycling. BATCircle includes 22 companies, four universities, two research institutes and two cities. The project is biennial and has a total budget of over €20 million. According to the European Commission (“EC”), the value of the European battery market could rise to €250 billion by 2025. The goal of the BATCircle project is to enable the creation of a market of least €5 billion in Finland.

R&D funding for the BATCircle research project for Mawson’s Rompas-Rajapalot project is €500,000 (CDN \$756,000) including the Company’s contribution of €250,000 (CDN \$378,000) on a 50:50 funding basis to conduct advanced exploration and metallurgical studies on the Rompas Rajapalot gold-cobalt project.

Metallurgical testwork for cobalt and gold has begun with liberation studies and QEMSCAN work to investigate the relationships of the cobalt minerals (cobaltite, linnaeite and cobalt pentlandite) to the gold, sulphide and silicate



minerals. These studies are being conducted with the Geological Survey of Finland (GTK) and the Camborne School of Mines (University of Exeter).

In the liberation study, five samples, of which four were from the Raja prospect, and one from Palokas prospect, were selected based on representative gold and cobalt grade and host rock. The aim of this study was to qualitatively assess the release of gold and cobalt minerals from the rock matrix during grinding and the resultant products of gravity separation.

The first batch of results are very encouraging, with key results summarized as follows:

- liberation of gold and cobalt in the two heaviest fractions generally exceeds 90 per cent with 50 micron grinding;
- at the 80th percentile, gold and cobalt grains in the heavy concentrates across the 5 samples average 62 microns and 67 microns respectively;
- the main gold mineral is native gold (>95% pure) and cobaltite was the dominant cobalt mineral;
- gold reported is dominated by coarse single grains (greater than 95% by volume); and
- cobaltite grains are well-formed with a dominant single grainsize distribution and more than 90% report as single grains to gravity concentrates.

### *Rajapalot Global Analogues*

As a result of the diamond drilling programs over the 2016-2019 winters, and cooperative research work with the Geological Survey of Finland and Oulu University, Mawson has defined the Rajapalot mineralization as typical of a Paleoproterozoic gold system. This well-documented deposit style appears to be late tectonic, has a stratabound geochemical control on gold precipitation and commonly has a regional granitoid association in the age range 1.75-1.85 Ga. A global metal contribution of more than 200 million ounces makes for a significant target type. The best analogues to the Rajapalot mineralization are the Homestake Mine in South Dakota and Tanami mines in Northern Territory (especially Callie), Australia.

The similarities of Rompas-Rajapalot to the Paleoproterozoic Lode Gold±Ironstone-Copper deposit style include:

- similar age host rocks and mineralization age;
- a similar tectonostratigraphic setting with a Paleoproterozoic sequence with large layered mafic sequence at the base, mature clastic and carbonate platform sediments, including rocks deposited during the Great Oxidation Event (“GOE”) transitional into deeper water, reduced facies including carbonaceous rocks;
- post-peak metamorphic emplacement of large intrusives driving hydrothermal fluids causing metal deposition in a brittle and brittle-ductile regime;
- a strong stratigraphic-structural control including stratabound and fold hinge related mineralization;
- large retrograde hydrothermal fluid systems carrying significant gold and cobalt; and
- similar iron and magnesium-rich alteration rock types forming a close association with gold mineralization.

The Rajapalot project continues to evolve with significant advances in the understanding of similar structural-stratigraphic and fluid-rock controls on apparently contrasting mineralization styles. The adoption of a “mineral systems” approach combined with the results of the recent winter diamond drilling allows us to interpret the entire new mineralized gold camp that Mawson has defined. This new interpretation has led to the definition of more than 65 kilometres of host stratigraphy in the project area. The Paleoproterozoic gold target style is a geological concept and is not necessarily indicative of the mineralization style that will eventually exist on the Property. The exploration programs systematically test strike extensions to known resources, in order to test structural and stratigraphic traps that may host this style of gold mineralization.

### *Rompas Vein Gold Project*

The initial discovery area, Rompas, is a hydrothermal vein style system defined over a 6 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 Mawson 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 Finland's best gold drill hole, with 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.

The host sequence to the Rompas vein-style mineralization comprises a package of amphibolite facies metamorphosed basalts, clastic sediments, carbonate rocks and reduced shales of the Paleoproterozoic Peräpohja Belt in southern Lapland. Nuggety mineralized intersections to date are largely within metabasaltic rocks. The company continues to focus on the more favourable disseminated and non-nuggety style of mineralization at the Rajapalot project.

### **Finnish Environment and Permitting**

As of the date of this MD&A, the Company holds a total of 5 granted exploration permits (including Kairmaat 2-3) for 5,725 hectares and 11 exploration permit applications and reservations for 30,031 hectares. According to the Finnish Mining Act, after the first renewal period of up to 4 years, all exploration permits in Finland can be renewed in 3-year maximum intervals, for a combined total of 15 years.

The 1,462 hectare Kairmaat 2-3 exploration permit (part of the Rajapalot project area) is granted but not in legal force. It was regranted on January 18, 2019 by the Finnish Mining Authority, TUKES. As announced on [February 21, 2019](#) and, as a standard right in Finland, two appeals were lodged by a local non-governmental organization ("NGO") group and Parks & Wildlife, Finland, Lapland ("Metsähallitus"). The appeal by Metsähallitus has since been withdrawn, leaving a single appeal by a NGO group. The Administrative Court ratified an enforcement order which allows Mawson to drill from 200 drill platforms (from 529 optional sites) plus 76 existing drill platforms within the 1,462 hectare Kairmaat 2-3 exploration permit area for 3 years from 18 January 2019. No drilling is permitted within a 1.1 kilometre buffer of an eagle's nest from February 15 to March 25, 2019.

Finland has rigorous regulatory processes with strict environmental standards and Mawson is committed to work with the regional and national authorities and broader stakeholder groups to develop the project in a responsible way. Mawson has completed eight years of flora and water base line studies and nature 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.

Mawson carries out its exploration activities in large areas, including 18% of its permit areas within biodiversity conservation areas (Natura 2000 in the Kairmaat 2-3 exploration permit area). The aim of the Natura 2000 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 and forms 18% of the EU landmass. Development in Natura is defined by clear rules and the emphasis is on ensuring that future management is sustainable, both ecologically and economically. Eighty-two percent of the Rompas-Rajapalot project lies outside of Natura areas. Mawson area permitted to complete all exploration at Rajapalot inside and outside Natura zones. The next major permitting step required will come at mining where biodiversity offsets for Natura areas will most probably be required. There are mining projects that have been permitted and are in production in Natura 2000 areas within Europe, including Krumovgrad (gold mine Bulgaria), Prosper Haniel (coal mine in Germany) and Mechelse Heide Zuid (sand mine in Belgium). Anglo American is currently permitting the Sakatti Ni-Cu-PGE project for mining in Finland.

For diamond drilling programs at Rajapalot, Mawson completed biological mapping of all areas where drilling took place, and, worked together with all authorities to minimize impact, including capturing all drill cuttings, reduction in total machine weight and the careful preparation of compressed snow roads for use by skidoo, Bandvagen and drill rigs. The same process takes place for each winter drill season.

## **Western USA (“WUSA”)**

Mawson has current Exploration and Option Agreements for one of the largest areas prospective for epithermal gold in Oregon, USA, from an arm’s length private landholder (the “Landholder”).

Owing to long term ownership by a single landholder, the region has remained largely unexplored and behind locked gates for more than 150 years. The WUSA Project is highly prospective for high and low sulphidation epithermal gold systems, and, lies adjacent to a 19th century gold rush area. Modern-day placer mining is still being undertaken in the optioned area.

WUSA lies in the central Western Cascade Ranges of Lane and Douglas Counties, Oregon, USA and consists of an area of interest of 150,500 hectares (“Exploration Agreement Area”), of which 68,075 hectares of mineral and land rights (“fee-simple land”) are held by a single landholder (the “Landholder”). Within the Exploration Agreement Area are smaller areas of mineral rights owned by the Landholder (1,447 hectares), the Bureau of Land Management (“BLM”) claims held by the Landholder (333.1 hectares).

The Cascade Range in Oregon is underlain by Eocene to Holocene intermediate to felsic volcanic and volcanoclastics rocks erupted along the western margin of North America. Immediately adjacent to the WUSA Project lies a well-mineralized district containing multiple mineral deposits including polymetallic veins (Bohemia, a gold-rush mining area discovered in 1858) and historic hot-spring style mercury mines. Placer gold mining is still undertaken within the option area.

Three gold prospects for immediate follow up have been defined to date:

- (i) **Scorpion-Cinnabar**  
A 2.2 km long and up to 400-metre-wide zone where soil geochemical samples regularly exceed 1g/t Au (up to 5.51g/t Au). These gold anomalous soils lie above highly acid altered rocks.
- (ii) **Huckleberry**  
A series of siliceous ridges which trend over 3 kilometres, with high sulphidation vuggy silica textures and acidic steam vents that outcrop for 1,000 metres. Geochemically anomalous rock samples with Sb, As, Hg, Bi, Mo are coincident with classic epithermal alteration zones (alunitic, silicification, argillic and propylitic).
- (iii) **Walker Creek**  
A high-level maar-type low sulphidation epithermal system developed over an area of more than 3 square kilometres. Ten vertical RC holes completed before Mawson’s involvement intersected anomalous gold over significant intervals.

Work to date by Mawson on the WUSA Project has consisted of diamond drilling, mapping, soil sampling, regional stream sediment sampling and ground magnetic geophysical surveying.

A total of 4 holes (one abandoned) were completed for 1,033 metres at the Scorpion intermediate-sulphidation and Huckleberry high-sulphidation projects and were reported during the quarter. This was the first diamond drilling program completed at both prospects.

Best results were achieved in the first and only hole drill hole at Scorpion where SDH-001-18 returned:

- 0.6 metres @ 3.25 g/t gold (“Au”), 27.3 g/t silver (“Ag”), 6680 ppm arsenic (“As”), 485 ppm antimony (“Sb”) and 2.8 ppm tellurium (“Te”) from 21.3 metres. The hole targeted strong and widespread surface alteration and an extensive gold in soil anomaly that extends over a 2.2 km long by up to 400 metre-wide area;

Holes at Huckleberry intersected intense siliceous and argillaceous alteration, with wide zones of high pathfinder elements including tellurium. Drill hole HDH-003-18 intersected:

- 15.2 metres @ 16.5ppm Te, 0.34 g/t Ag, 1038 ppm As, 96.4 ppm Sb and from 56.4 metres;

The drilling program at the two prospects intersected wide zones of previously undrilled intense silica, argillic and sulphidic alteration that contain anomalous geochemistry including epithermal geochemical pathfinders, and locally

elevated base metals and gold. Follow up work is recommended. Drill permits at WUSA are in place for a more extensive drill program.

Mawson continues to work with the Landholder under lease arrangements. The project is of merit, and Mawson is reviewing potential future joint venture, strategic alliance, or corporate transactions for the WUSA Project while focusing on its flagship gold project in Finland.

### ***Mount Isa SE, Australia***

Mawson has staked through its 100% owned Australian subsidiary, Mawson Canada Pty Ltd, seven exploration prospecting licences (“EPMs”) (“Mount Isa SE”) for 1,173km<sup>2</sup>. All EPMs have been granted as of the date of this MD&A.

The Mount Isa area contains a large number of mineral occurrences and world class mines. Since the discovery of copper and gold near Cloncurry in the 1860s the rocks of the Mount Isa Orogen have been significant producers of copper, lead, zinc and silver. Significant resources remain, with the Mount Isa Orogen containing 21.2% of the world's lead resources, 11% of the world's zinc resources, 5% of the world's silver resources and 1.7% of the world's copper resources. Most of these discoveries were made within the outcrop and subcrop areas. These areas continue under 100-500 metres of cover particularly to the north, east and south of the Mount Isa mineralized block. Mawson's strategy has been to acquire prospective undercover areas within prospective host sequences in data poor environments.

Prior to the current quarter Mawson's focussed on: (i) compilation of historical exploration data and subsequent GIS integration and; (ii) reprocessing of public domain geophysical data. During the period Mawson flew 100 metres spaced airborne magnetics and a 1 km by 1 km ground-based gravity over its entire Mount Isa SE holding. This was funded in part by an AUD \$100,000 grant to be received from the Qld Government [Collaborative Exploration Initiative](#), which backs private investment in under-explored parts of north-west Queensland by co-funding particularly innovative projects.

Mawson's Mount Isa SE project represents an example of the changing industry paradigm to explore deeper under cover. The completed detailed magnetic and gravity surveys are considered vital steps in derisking the project to generate drill targets. The attractiveness of the Mount Isa SE project is underpinned by three key factors:

1. High prospectivity for large mineralized systems including BHT-type and Cloncurry-style IOCGs. The project area spans approximately 60km of strike adjacent to South 32's world class Cannington mine. This includes approximately 20km of strike similar south east-trending magnetostratigraphy to that which hosts Cannington. The area is structurally complex containing segments of the crustal-scale Cloncurry fault system and associated NW-trending second order structures and major interpreted D2 and D3 shear zones.
2. Extremely low level of exploration maturity. Only two basement targeted holes have been drilled within the Mount Isa SE EPMs. This lack of drilling is a direct reflection of increased cover thickness rather than the ability to develop high-potential drill-ready targets, noting the geophysical detectability of all known major deposits in the Isa terrane. Within the current industry paradigm of exploring at greater depths under cover this creates opportunity for Mawson – to review and reprocess open file geophysical data, assess options for additional ground or airborne geophysical surveys and via integration with structural-stratigraphic interpretation develop new exploration targets under cover.
3. Large and strategic land holding. Four EPMs that comprise part of the Mount ISA SE project total 982 sq km. These are contiguous with active miners and explorers South 32, Minotaur and Sandfire.

### ***Future Developments***

The main goal over the next year is to expand the maiden inferred resource at Rajapalot in Finland and continue to develop adjacent prospect areas for deep drill testing.

1. Updated Resource Planned: The 15 kilometre drill program aims to infill and extend the Palokas, South Palokas and Raja resource areas delivering the data for an updated resource estimate at the end of calendar Q2 2020;

2. Substantial Exploration Target: Prior to the recently commenced drill program an exploration target of 0.8-1.0 million ounces between 3-5 g/t gold equivalent is estimated to exist at the Rajapalot project. The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration drilling to increase the mineral resource and it is uncertain if further exploration will result in the exploration target being delineated as a mineral resource.
3. Effective Drill Targeting: Based on discovery success from earlier this year, drilling will be directed by geologic controls of high-grade gold zones and fixed loop EM conductors, with further targeting refined by down hole EM.
4. Five drill rigs will be operating by early January 2020 when winter conditions allow. The drill program aims to infill and extend the Palokas, South Palokas and Raja resource areas delivering the data for an updated resource estimate at the end of calendar Q2 2020.
5. Metallurgical testwork for cobalt and gold to continue with liberation studies and QEMSCAN work to investigate the relationships of the cobalt minerals (cobaltite, linnaeite and cobalt pentlandite) to the gold, sulphide and silicate minerals. These studies are being conducted with the Geological Survey of Finland and the Camborne School of Mines (University of Exeter). A significant grant to assist in the metallurgical studies, especially on the cobalt minerals has been received as part of the BATCircle consortium.
6. Further fixed loop electromagnetic surveys to define shallow blind mineralization over a majority of the Rajapalot project area.
7. Completion of the large ground-based gravity survey over the entire 16,000 hectares to define key structural and geologic controls driving gold-cobalt-bearing hydrothermal fluids.

## Financial Data

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

	Fiscal 2020		Fiscal 2019				Fiscal 2018	
	Nov 30 2019 \$	Aug 31 2019 \$	May 31 2019 \$	Feb 28 2019 \$	Nov 30 2018 \$	Aug 31 2018 \$	May 31 2018 \$	Feb 28 2018 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(487,779)	(425,650)	(549,659)	(1,997,850)	(709,950)	(466,227)	(708,605)	(939,853)
Other items	6,610	(30,497)	14,559	35,011	61,481	38,538	2,343	35,008
Net loss	(481,169)	(456,147)	(535,100)	(1,962,839)	(648,469)	(427,689)	(706,262)	(904,845)
Other comprehensive income (loss), net	Nil	Nil	Nil	Nil	Nil	Nil	(5,792)	7,845
Comprehensive loss	(481,169)	(456,147)	(535,021)	(1,962,839)	(648,469)	(427,689)	(712,054)	(897,000)
Basic and diluted loss per share	(0.00)	(0.00)	(0.02)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital	7,233,373	599,491	1,472,175	4,882,365	7,391,157	9,507,817	11,008,224	14,143,601
Total assets	38,809,498	31,764,765	32,728,516	34,234,281	34,172,023	34,636,624	35,339,680	36,596,660
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### *Three Months Ended November 30, 2019 Compared to Three Months Ended August 31, 2019*

During the three months ended November 30, 2019 (“Q2”) the Company reported a net loss of \$481,169 compared to a net loss of \$456,147 for the three months ended August 31, 2019 (“Q1”), an increase in loss of \$25,022. The increase in loss was primarily attributed to an increase in general and administrative expenses in Q2, partially offset by the change in unrealized loss of investment and foreign exchange.

## Six Months Ended November 30, 2019 Compared to Six Months Ended November 30, 2018

During the six month period ended November 30, 2019 (the “2019 period”) the Company reported a net loss of \$937,316 compared to a net loss of \$1,076,158 for the six month period ended November 30, 2018 (the “2018 period”) a decrease in loss of \$138,842. Significant variances in general and administrative expenses and other items are as follows:

- (i) professional fees decreased by \$76,469, from \$189,666 during the 2018 period to \$113,197 during the 2019 period, reflecting a general decrease in engagement of independent consultants;
- (ii) incurred legal fees of \$81,707 during the 2019 period compared to \$215,123 during the 2018 period. During the 2018 period the Company incurred increased costs for legal representation and services with respect to the Natura 2000 impact assessment and permitting status;
- (iii) incurred \$21,270 in general exploration expenses during the 2018 period compared to \$8,074 during the 2019 period. During the 2018 period the Company conducted due diligence on identifying and reviewing prospective mineral properties;
- (iv) unrealized gains or losses on investments are attributable to the fluctuation in the quoted stock prices of the Company’s minor holdings of common shares of Kingsmen Resources Ltd. and Thomson Resources Ltd. During the 2019 period the Company recognized an unrealized loss on investments of \$21,178 compared to an unrealized gain of \$3,041 during the 2018 period; and
- (v) recognition of share-based compensation of \$23,800 in the 2018 period compared to \$nil in the 2019 period.

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 2019 period the Company reported interest income of \$22,501 compared to \$93,402 during the 2018 period. The decrease is due to lower levels of cash held during the 2019 period.

### Financings

During the 2019 period the Company completed a private placement financing of 49,376,749 units, at a price of \$0.16 per unit for gross proceeds of \$7,900,280. The net funds will be used for exploration on the Company’s exploration properties (primarily in Finland) and for working capital and general corporate purposes.

No financings were completed during the 2018 period.

### Exploration and Evaluation Assets

	As at November 30, 2019			As at May 31 2019		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Rompas-Rajapalot	2,864,190	26,642,843	29,507,033	2,743,919	26,214,665	28,958,584
Oregon	186,981	735,407	922,388	186,981	727,657	914,638
Other	232,285	299,985	532,270	207,328	242,254	449,582
	<u>3,283,456</u>	<u>27,678,235</u>	<u>30,961,691</u>	<u>3,138,228</u>	<u>27,184,576</u>	<u>30,322,804</u>

During the 2019 period the Company incurred a total of \$638,887 (2018 - \$2,489,797) on the acquisition, exploration and evaluation of its unproven resource assets of which \$548,449 (2018 - \$1,886,760) was incurred on its Finnish properties, \$7,750 (2018 - \$547,542) on its Oregon properties and \$82,688 (2018 - \$55,495) on the Mount ISA Permits. See “Exploration Projects” in this MD&A for details.

### Financial Condition / Capital Resources

The Company has a history of losses with no operating revenue and, as at November 30, 2019, has an accumulated deficit of \$39,507,875 and working capital of \$7,233,373. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months, 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.

### **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. Examples of significant estimates made by management include estimating the fair values of financial instruments and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the May 31, 2019 audited annual consolidated financial statements.

### **Changes in Accounting Policies**

#### ***Changes in Accounting Policies - IFRS 16***

The Company adopted all of the requirements of IFRS 16, effective June 1, 2019.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

There was no impact on the Company's condensed consolidated interim financial statements upon the adoption of this new standard.

A detailed summary of the Company's other significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the May 31, 2019 audited annual consolidated financial statements.

### **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. The Company has determined that key management personnel consists of members of the Company's current and former Board of Directors and its executive officers.

(a) During the 2019 and 2018 periods the following fees were incurred:

	2019 \$	2018 \$
Management fees - Mr. Hudson - Chairman, CEO and director	84,000	82,000
Professional fees - Mr. Cook - President	100,766	104,253
Professional fees - Mr. DeMare - CFO and director	12,000	12,000
Professional fees - Mr. Henstridge - director	9,000	9,000
Professional fees - Mr. Saxon - director	9,000	9,000
Professional fees - Mr. Maclean - director	9,000	9,000
Professional fees - Mr. Williams - director <sup>(1)</sup>	15,000	15,000

	2019 \$	2018 \$
Professional fees - Ms. Bermudez - Corporate Secretary	22,940	18,900
Fees and compensation - Ms. Ahola - director <sup>(2)</sup>	61,441	62,478
	<u>323,147</u>	<u>321,623</u>

(1) Mr. Williams received \$9,000 (2018 - \$9,000) for director fees and \$6,000 (2018 - \$6,000) for being a member of the Advisory Committee

(2) Ms. Ahola received \$9,000 (2018 - \$9,000) for director fees and \$52,441 (2018 - \$53,478) for being a member of the Environmental Health and Safety Committee.

During the 2019 period the Company allocated the \$323,147 (2018 - \$321,631) professional fees and salaries based on the nature of the services provided: expensed \$169,940 (2018 - \$188,177) to directors and officers compensation and capitalized \$153,207 (2018 - \$133,454) to exploration and evaluation assets. As at November 30, 2019 \$90,090 (May 31, 2019 - \$24,000) remained unpaid.

The Company has a management agreement with Mr. Hudson, the Company's Chairman and CEO, which provides that in the event his services are terminated without cause or upon a change of control of the Company, a termination payment of two years and six months of compensation, at \$14,000 per month, is payable. If the termination had occurred on November 30, 2019 the amount payable under the agreement would be \$420,000.

The Company has a management agreement with Mr. Cook, the Company's President, which provides that in the event his services are terminated without cause or upon a change of control of the Company, a termination payment of twelve months of compensation, at \$18,334 per month, is payable. If the termination had occurred on November 30, 2019 the amount payable under the agreement would be \$220,008.

- (b) During the 2019 period the Company incurred a total of \$32,400 (2018 - \$30,100) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO, and \$2,010 (2018 - \$2,010) for rent. As at November 30, 2019 \$335 (May 31, 2019 - \$335) remained unpaid.

## 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 issues on the Rompas-Rajapalot property. See also "Exploration Projects - Finland - Environment and Permitting". 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 Finland 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 January 14, 2020 there were 191,768,342 issued and outstanding common shares. In addition, there were 4,970,000 share options outstanding, at exercise prices ranging from \$0.275 to \$0.39 per share and 34,468,104 warrants outstanding at exercise prices ranging from \$0.185 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 November 30, 2019.

## **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 period beginning on September 1, 2019 and ending on November 30, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.