
MAWSON RESOURCES LIMITED

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(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 six months ended November 30, 2004, 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
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	November 30, 2004	May 31, 2004
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash	1,063,213	341,955
Amounts receivable	58,996	2,091
Prepaid expense	12,060	992
	<u>1,134,269</u>	<u>345,038</u>
CAPITAL ASSET , net of accumulated depreciation of \$613	4,290	-
UNPROVEN MINERAL INTERESTS (Note 3)	523,771	87,394
DEFERRED SHARE ISSUE COSTS	-	5,280
	<u>1,662,330</u>	<u>437,712</u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 3 and 6)	<u>195,067</u>	<u>84,039</u>

S H A R E H O L D E R S ' E Q U I T Y

SHARE CAPITAL (Note 5)	1,622,895	66,500
SPECIAL WARRANTS (Note 4)	-	298,000
CONTRIBUTED SURPLUS	232,465	-
DEFICIT	<u>(388,097)</u>	<u>(10,827)</u>
	<u>1,467,263</u>	<u>353,673</u>
	<u>1,662,330</u>	<u>437,712</u>

APPROVED BY THE DIRECTORS

“Michael Hudson” , Director

“Nick DeMare” , Director

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

MAWSON RESOURCES LIMITED
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENT OF LOSS AND DEFICIT
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

	\$
EXPENSES	
Accounting and administrative	15,825
Audit	4,836
Corporate development	13,806
Depreciation	613
Foreign exchange	(2,354)
General exploration	25,733
Investor relations	5,000
Legal	22,070
Office and sundry	7,837
Professional fees	3,717
Regulatory	372
Shareholder costs	1,890
Stock-based compensation	233,700
Transfer agent	7,907
Travel	36,318
	<u>377,270</u>
NET LOSS FOR THE PERIOD	(377,270)
DEFICIT - BEGINNING OF PERIOD	<u>(10,827)</u>
DEFICIT - END OF PERIOD	<u><u>(388,097)</u></u>
LOSS PER SHARE - BASIC AND DILUTED	<u><u>\$(0.05)</u></u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	<u><u>8,276,762</u></u>

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

MAWSON RESOURCES LIMITED
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004
(Unaudited - Prepared by Management)

	\$
CASH PROVIDED FROM (USED FOR)	
OPERATING ACTIVITIES	
Net loss for the period	(377,270)
Adjustment for items not involving cash	
Depreciation	613
Stock-based compensation	233,700
	<u>(142,957)</u>
Increase in amounts receivable	(56,905)
Increase in prepaid expense	(11,068)
Increase in accounts payable and accrued liabilities	111,028
	<u>(99,902)</u>
INVESTING ACTIVITIES	
Purchase of capital asset	(4,903)
Expenditures on unproven mineral interests	(436,377)
	<u>(441,280)</u>
FINANCING ACTIVITIES	
Issuance of common shares	1,451,866
Share issue costs	(189,426)
	<u>1,262,440</u>
INCREASE IN CASH DURING THE PERIOD	721,258
CASH - BEGINNING OF PERIOD	341,955
CASH - END OF PERIOD	<u>1,063,213</u>

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

MAWSON RESOURCES LIMITED
(An Exploration Stage Company)

INTERIM STATEMENT OF UNPROVEN MINERAL INTERESTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

	Vargbäcken Mining Permit \$	Stenberget Exploration Permit \$	Staked Claims \$	Total \$
BALANCE - BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>87,394</u>	<u>87,394</u>
EXPENDITURES DURING THE PERIOD				
Consulting	21,083	1,523	15,231	37,837
Drilling	141,188	-	-	141,188
Geochemical	76,955	446	4,888	82,289
Geological	34,910	2,386	4,564	41,860
Other	20,789	1,003	5,968	27,760
Permit fees	-	-	2,037	2,037
Salaries and benefits	8,878	-	-	8,878
Travel	<u>15,510</u>	<u>480</u>	<u>1,968</u>	<u>17,958</u>
	<u>319,313</u>	<u>5,838</u>	<u>34,656</u>	<u>359,807</u>
ACQUISITION COSTS DURING THE PERIOD	<u>-</u>	<u>5,958</u>	<u>70,612</u>	<u>76,570</u>
BALANCE - END OF PERIOD	<u><u>319,313</u></u>	<u><u>11,796</u></u>	<u><u>192,662</u></u>	<u><u>523,771</u></u>

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

MAWSON RESOURCES LIMITED
(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

The Company was incorporated under the Company Act (British Columbia) on March 10, 2004 and was transitioned under the British Columbia Business Corporations Act on April 16, 2004.

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests and is considered a development stage company as defined by Accounting Guidelines No. 11 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. As at November 30, 2004, the Company has not earned any production revenue, nor found proved reserves on any of its mineral interests. On October 28, 2004 the Company completed its initial public offering and on October 29, 2004 the Company listed its common shares on the TSX Venture Exchange (the "TSXV") as a Tier 2 junior mineral exploration company. See also Note 5(a).

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown in the consolidated financial statements should the Company be unable to continue as a going concern. The ability of the Company to settle its liabilities as they come due and to fund ongoing operations is dependent upon the ability of the Company to obtain additional funding from equity financing. Failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian GAPP. 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 financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

Capital Asset

Capital asset, which is comprised of a vehicle, is recorded at cost less accumulated depreciation calculated using the straight-line method over its estimated useful life of five years.

Comparative Figures

The Company was incorporated on March 10, 2004, and, therefore, had no comparative reporting periods.

MAWSON RESOURCES LIMITED
(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

3. UNPROVEN MINERAL INTERESTS

	Six Months Ended November 30, 2004			Period Ended May 31, 2004		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Vargbäcken Mining Permit	-	319,313	319,313	-	-	-
Stenberget Exploration Permit	5,958	5,838	11,796	-	-	-
Staked Claims	158,006	34,656	192,662	87,394	-	87,394
	<u>163,964</u>	<u>359,807</u>	<u>523,771</u>	<u>87,394</u>	<u>-</u>	<u>87,394</u>

Option Agreements

The Company has entered into various agreements with Sierra Peru Pty Ltd. (“Sierra Peru”) and North Atlantic Natural Resources AB (“NAN”), whereby Sierra Peru’s option interests were assigned for no consideration to the Company. Sierra Peru is a private corporation whose principals are directors and officers of the Company. The option interests assigned are as follows:

a) Vargbäcken Mining Permit

The Company may acquire up to a 100% interest in a mining permit (the “Vargbäcken Mining Permit”), comprising 20.5 hectares, as follows:

- i) initial 51% interest by conducting Swedish kronor (“SEK”) 4,000,000 (approximately \$720,000) in work expenditures on or before June 28, 2007, and
- ii) an additional 29% interest by conducting a further SEK 8,000,000 (approximately \$1,440,000) in work expenditures on or before June 28, 2009.

Upon earning the 80% interest, NAN has the option to maintain its 20% interest by contributing its share of future costs, or dilute to a 2% net smelter return (“NSR”) royalty.

b) Stenberget Exploration Permit

The Company may acquire up to a 100% interest in an exploration permit (the “Stenberget Exploration Permit”), comprising 645.5 hectares, as follows:

- i) initial 51% interest by conducting SEK 4,000,000 (approximately \$720,000) in work expenditures on or before June 28, 2007, and
- ii) an additional 29% interest by conducting a further SEK 8,000,000 (approximately \$1,440,000) in work expenditures on or before June 28, 2009.

Upon earning the 80% interest, NAN has the option to maintain its 20% interest by contributing its share of future costs, or dilute to a 2% NSR royalty.

MAWSON RESOURCES LIMITED
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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

3. UNPROVEN MINERAL INTERESTS (continued)

Staked Claims

The Company has also staked fifteen exploration permits within the Skellefte Mining District covering approximately 78,142 hectares.

4. SPECIAL WARRANTS

On May 31, 2004, the Company completed a private placement of 3,000,000 special warrants (the "Special Warrants"), at a price of \$0.10 per special warrant, for total proceeds of \$300,000. Each Special Warrant is convertible, without additional compensation, into one common share of the Company upon the earlier of the fifth day following the date of approval by the regulatory authorities for the prospectus qualifying the conversion or May 31, 2007. Regulatory approval was received on September 24, 2004 and the special warrants were converted into common shares on October 4, 2004.

The Company has incurred \$2,000 in legal costs relating to the special warrant financing.

5. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:	Six Months Ended November 30, 2004		Period Ended May 31, 2004	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	6,650,000	66,500	-	-
Issued during the period				
For cash				
Private placement	-	-	6,650,000	66,500
Initial public offering	3,625,000	1,450,000	-	-
Exercise of warrants	145,416	61,266	-	-
Exercise of options	6,500	2,600	-	-
Reallocation from contributed surplus				
on exercise of options	-	1,235	-	-
Conversion of special warrants	3,000,000	300,000	-	-
Finder's fee	150,000	60,000	-	-
	6,926,916	1,875,101	6,650,000	66,500
Less: share issue costs	-	(318,706)	-	-
	6,926,916	1,556,395	6,650,000	66,500
Balance, end of period	13,576,916	1,622,895	6,650,000	66,500

MAWSON RESOURCES LIMITED
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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

5. SHARE CAPITAL (continued)

- (a) On August 31, 2004, as amended, the Company and Canaccord Capital Corporation (the "Agent"), entered into an agreement relating to a proposed initial public offering (the "Offering") of 3,625,000 units, at \$0.40 per unit, for gross proceeds of \$1,450,000. Each unit will be comprised of one common share of the Company and one-half non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$0.50 per share for a period of one year from the closing of the Offering (the "Closing"). The Agent will receive a commission of 7.5% of the gross proceeds of the Offering and be granted non-transferable warrants to purchase that amount of common shares of the Company as is equal to 12% of the number of units sold, at \$0.40 per share, for a period of one year from the Closing. The Company has paid the Agent an administration fee of \$10,000 and has agreed to a corporate finance fee of 150,000 units having the same terms as the units sold under the Offering. On October 28, 2004, the Company completed the Offering and on October 29, 2004 its common shares commenced trading on the TSXV.
- (b) During the six months ended November 30, 2004, the Company granted stock options to its employees, directors and consultants to acquire 1,230,000 common shares of the Company, being vested immediately and exercisable for five years from date of grant.

A summary of the Company's stock options at November 30, 2004 and the changes for the six months ended November 30, 2004 is presented below:

	Options Outstanding and Exercisable	Weighted Average Exercise Price \$
Balance, beginning of period	-	-
Granted	1,230,000	0.40
Exercised	<u>(6,500)</u>	0.40
Balance, end of period	<u>1,223,500</u>	0.40

The following table summarizes information about the stock options outstanding and exercisable at November 30, 2004:

Exercise Price \$	Options Outstanding	Expiry Date
0.40	<u>1,223,500</u>	July 15, 2009

The fair value of stock options granted to employees, directors and consultants is estimated on the dates of grants using the Black-Scholes option pricing model with the following assumptions used for the grants made during the period:

Risk-free interest rate	1.23%
Estimated volatility	81%
Expected life	2.5 years
Expected dividend yield	0%

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

(Unaudited - Prepared by Management)

5. SHARE CAPITAL (continued)

The weighted average fair value per share of stock options, calculated using the Black-Scholes option pricing model, granted during the period to the Company's consultants was \$0.19 per share. The Company charged \$233,700 stock-based compensation to operations.

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

- (c) As at November 30, 2004, the Company had outstanding warrants which may be exercised to purchase 2,322,500 common shares. The warrants expire on or before October 28, 2005 and may be exercised at prices ranging from \$0.40 per share to \$0.50 per share.

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants and agents warrants outstanding at November 30, 2004 and the changes for the period is as follows:

	Number
Balance, beginning of period	-
Issued pursuant to the Offering	<u>2,322,500</u>
Balance, end of period	<u><u>2,322,500</u></u>

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants and agents warrants outstanding and exercisable at November 30, 2004:

Number	Exercise Price	Expiry Date
435,000	\$0.40	October 28, 2005
<u>1,887,500</u>	\$0.50	October 28, 2005
<u><u>2,322,500</u></u>		

6. RELATED PARTY TRANSACTIONS

During the six months ended November 30, 2004:

- i) the Company incurred \$47,413 for accounting and administration provided by private corporations owned by directors of the Company; and
- ii) the Company was billed \$10,750 for shared administration costs with Tumi Resources Ltd., a public company with common directors and officers. As at November 30, 2004, the amount was unpaid and included in accounts payable and accrued liabilities

See also Note 3.

MAWSON RESOURCES LIMITED
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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited - Prepared by Management)

7. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities in Sweden. The Company is in the exploration stage and accordingly, has no reportable segment revenues or operating results for the six months ended November 30, 2004.

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

	November 30, 2004		
	Corporate (Canada) \$	Mineral Operations (Sweden) \$	Total \$
Current assets	897,878	236,391	1,134,269
Capital asset	-	4,290	4,290
Unproven mineral interests	-	523,771	523,771
	897,878	764,452	1,662,330

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash, amounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

The Company places its cash in financial institutions that are believed to be creditworthy.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities were conducted by the Company during the six months ended November 30, 2004 and 2003 as follows:

	November 30, 2004 \$	November 30, 2003 \$
Financing activities		
Issuance of common shares for finder's fees	60,000	-
Share issue costs	(60,000)	-
Issuance of common shares on exercise of options	1,235	-
Contributed surplus	(1,245)	-
	-	-

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

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9. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

Other supplementary cash flow information:

	November 30, 2004	November 30, 2003
	\$	\$
Interest paid in cash	-	-
Income taxes paid in cash	-	-

10. SUBSEQUENT EVENT

Subsequent to November 30, 2004, the Company issued 300,916 common shares for \$136,816 on the exercise of warrants.

MAWSON RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2004

Background

This discussion and analysis of financial position and results of operation is prepared as at January 27, 2004 and should be read in conjunction with the interim consolidated financial statements and the accompanying notes for the six months ended November 30, 2004 of Mawson Resources Limited (the "Company"). Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com.

Company Overview

The Company commenced operations on March 10, 2004. On October 28, 2004, the Company completed its \$1.45 million initial public offering (the "Offering") and on October 29, 2004 commenced trading of its common shares on the TSX Venture Exchange ("TSXV") under the symbol "MAW". The Company is principally engaged in the acquisition and exploration for precious and base metals deposits. The Company has acquired options and staked claims over mineral permits located in the Skellefte Mining District, Sweden. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proved reserves on any of its mineral interests. The Company is a reporting issuer in British Columbia, Alberta, and Ontario.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Exploration Projects

Vargbäcken Gold Project

Exploration Program

In its prospectus dated September 24, 2004, the Company proposed a Phase 1, 30-hole reverse circulation ("RC") program to be completed by April 2005. This program was designed to gather more reliable data about the gold content, dimension and potential extensions to mineralized zones at the Vargbäcken Project. Management based this work program on the recommendations of Dr. Andre Panteleyev, P. Eng in his NI 43-101 Geological Report on the Vargbäcken Project, prepared on August 11, 2004. This report is available on the SEDAR website: www.sedar.com.

A 25 year mining lease was granted over Vargbäcken in 2003. The prospect was previously drill tested with 31 slim line core drill holes by North Atlantic Natural Resources AB in 1997 and 1998. From late October to mid-December 2004 the Company completed 18 RC drill holes for a total of 1,730 metres.

Vargbäcken is located in the historic Skellefte Mining District of Northern Sweden. The regional geology and gold mineralization styles of the Skellefte District are very similar to two of the largest gold districts in the world, namely Timmins, Ontario and the Kalgoorlie/Golden Mile District in Australia, each of which has produced more than 50 million ounces of gold. Gold at Vargbäcken is visible, free and coarse grained and occurs in high grade "bonanza" structures within a wider gold and sulphide-bearing mineralized halo which is mapped by an induced polarization anomaly over 1 kilometre strike.

Exploration Results

The Company's 18 hole RC drill program defined gold mineralization over a strike length of 550 metres with 17 out of the 18 holes drilled intersecting better than 2 metres of 2 grams/tonne gold. Higher grade gold mineralization was drill delineated over 250 metres strike, from surface to 160 metres depth. Best RC drill results (1 grams/tonne gold lower cut) include 2 metres of 72.6 grams/tonne gold and 1 metre of 116.5 grams/tonne gold in RC34, 13 metres of 4.5 grams/tonne gold in RC32 and 4 metres of 7.0 grams/tonne gold in RC49. Applying a cut-off grade of 0.2 grams/tonne gold, drill hole RC34 averaged 56 metres of 7.4 grams/tonne gold from 38 metres, whilst RC49 averaged 74 metres of 1.2 grams/tonne gold from 40 metres.

The current program extended mineralization 80 metres further than previously defined by previous work and the prospect remains open. A summary of all results from the drill program, together with plans and sections from Vargbäcken can be found at the Company's website: www.mawsonresources.com.

Mineralization is near surface and will be evaluated in the future for open pit mining. Management believes that the exploration target defined by the current drill program is between 800,000 tonnes and 3,400,000 tonnes at a grade between 2.0 grams/tonne and 5.5 grams/tonne gold. However, the potential quantity and grade indicated is conceptual in nature and there has been insufficient exploration to define this target at this time and it is uncertain that further exploration will result in the definition of a resource.

Future Developments

Management is pleased with the results from the Phase 1 drill program at the Vargbäcken Gold Project and plan to implement a 1,500 metre RC drill program in April, 2005. The aim of this program is to both extend and infill the Vargbäcken Gold Project to resource status. The estimated cost of the program is \$350,000 and the Company is sufficiently funded to undertake this program.

The Vargbäcken prospect forms part of a 12 kilometre gold mineralized zone which also includes Middagsberget, Fäbodliden A and Fäbodliden B, three drill ready projects over 3 kilometre strike with outcropping gold in quartz veins. These projects will be drill tested in 2005. Further funds will be required to undertake these programs.

The qualified person for the Vargbäcken, Middagsberget and Fäbodliden projects is Mark Saxon, the Company's VP-Exploration and a member of the Australasian Institute of Mining and Metallurgy.

Other Developments

Ground staking during the period increased the Company's total property holdings to 17 permits covering 79,884 hectares (previously 11 permits for 44,374 hectares) and results in the Company becoming the largest exploration title holder in the Skellefte district and the fourth largest explorer, by area, in Sweden.

Selected Financial Data

The following selected financial information is derived from the unaudited consolidated interim financial statements of the Company for the six months ended November 30, 2004 and the period from inception (March 10, 2004) to May 31, 2004.

	Fiscal 2005		Fiscal 2004
	Six Months Ended Nov. 30, 2004 \$	Three Months Ended Aug. 31, 2004 \$	Period from Inception (Mar. 10, 2004) to May 31, 2004 \$
Operations:			
Revenues	-	-	-
Net income (loss)	(288,501)	(88,769)	(10,827)
Basic and diluted income (loss) per share	(0.05)	(0.01)	(0.00)
Dividends per share	-	-	-
Balance Sheet:			
Working capital (deficiency)	939,202	(21,186)	260,999
Total assets	1,662,330	389,129	437,712
Total long-term liabilities	-	-	-

Results of Operations

The Company was incorporated and commenced operations on March 10, 2004 and, therefore, has no previous reporting periods to compare with the results of operations discussed herein.

During the six months ended November 30, 2004 ("2004"), the Company recorded a loss of \$377,270 (\$0.05 per share), of which the major component of the loss is attributed to the accounting requirement for non-cash stock-based compensation on the granting of stock options. During 2004, the Company recorded a non-cash compensation expense of \$233,700 relating to stock options granted.

Excluding the stock based compensation, general and administrative expenses of \$145,570 were reported in 2004. Specific expenses of note during 2004 are as follows:

- i) the Company incurred \$15,825 for accounting and administrative services charged by Chase Management Ltd. ("Chase"), a private corporation controlled by Nick DeMare, a director of the Company;
- ii) the Company incurred general exploration costs of \$25,733 relating to the Company's exploration office and general exploration activities in Sweden;
- iii) the Company incurred corporate development costs of \$13,806 and travel expenses of \$36,318 mainly for participation and presentation materials at international investment conferences; and
- iv) the Company incurred significant legal expenses of \$22,070.

During 2004, the Company spent \$436,377 on acquisition costs and exploration activities on its mineral property interests. In total, the Company spent \$319,313 on the Vargbäcken Project, \$11,796 on the Stenberget Project and \$105,268 on its other properties. Details of the exploration activities conducted in 2004 are described in "Exploration Projects" in this MD&A.

During 2004, the Company received \$1,191,294 net of share issue costs through its initial public offering and \$63,866 on the exercise of stock options and warrants.

Financial Condition / Capital Resources

As at November 30, 2004, the Company has working capital of \$939,202. The Company believes that it currently has sufficient financial resources to conduct the Phase I exploration program and meet anticipated corporate administration costs for the upcoming 12 month period. The Company will have to raise further financing if it proceeds to Phase II. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the May 31, 2004 audited consolidated financial statements.

Changes in Accounting Policies

The Company has no changes in accounting policies.

Transactions With Related Parties

During the six months ended November 30, 2004:

- i) the Company incurred \$47,413 for accounting and administration provided by private corporations owned by directors of the Company; and
- ii) the Company was billed \$10,750 for shared administration costs with Tumi Resources Ltd., a public company with common directors and officers. As at November 30, 2004, the amount was unpaid and included in accounts payable and accrued liabilities

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 is in compliance in all material regulations applicable to its exploration activities. 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 Sweden and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability 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 political stability and governmental regulations relating to the mining industry.

Investor Relations Activities

The Company provides information packages to investors; the package consists of materials filed with regulatory authorities. The Company updates its website (www.mawsonresources.com) on a continuous basis. Effective November 1, 2004, the Company retained Mr. Nick Nicolaas to provide market awareness and investor relations activities. Mr. Nicolaas is paid a monthly fee of \$2,500 and may be cancelled by either party on 15 days notice. During the six months ended November 30, 2004, the Company paid \$5,000 to Mr. Nicolaas.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at November 30, 2004, there were 13,576,916 issued and outstanding common shares, 2,322,500 common shares reserved pursuant to warrants and agents warrants and 1,223,500 stock options granted. On October 4, 2004, the 3,000,000 special warrants were converted into 3,000,000 common shares. On October 28, 2004, the Company completed its Offering, in which 3,625,000 common shares were issued to subscribers and 150,000 common shares were issued as a corporate finance fee. In addition, warrants to purchase an additional 2,322,500 were issued. Details of the Offering are disclosed in Note 5(b) to the Company's unaudited November 30, 2004 interim consolidated financial statements.