
MAWSON FINLAND LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
FEBRUARY 28, 2025

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MAWSON FINLAND LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	February 28, 2025 \$	May 31, 2024 \$
ASSETS			
Current assets			
Cash		1,646,697	3,772,382
GST/VAT receivable		588,032	113,235
Prepaid expenses and deposits		<u>359,401</u>	<u>20,894</u>
Total current assets		<u>2,594,130</u>	<u>3,906,511</u>
Non-current assets			
Property, plant and equipment	5	38,149	41,712
Exploration and evaluation assets	6	14,880,812	10,233,017
Right of use asset	7	438,444	520,652
Bonds		213,850	205,877
Deferred share issue costs		<u>61,476</u>	<u>-</u>
Total non-current assets		<u>15,632,731</u>	<u>11,001,258</u>
TOTAL ASSETS		<u>18,226,861</u>	<u>14,907,769</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		2,994,335	702,669
Current portion of lease liability	7	<u>102,794</u>	<u>95,396</u>
Total current liabilities		<u>3,097,129</u>	<u>798,065</u>
Non-current liabilities			
Lease liability	7	<u>377,591</u>	<u>455,638</u>
TOTAL LIABILITIES		<u>3,474,720</u>	<u>1,253,703</u>
SHAREHOLDERS' EQUITY			
Share capital	8	17,373,153	150,100
Special warrants	8(c)	-	14,549,905
Share-based payments reserve		483,729	271,441
Deficit		<u>(3,104,741)</u>	<u>(1,317,380)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>14,752,141</u>	<u>13,654,066</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>18,226,861</u>	<u>14,907,769</u>

Nature of Operations - see Note 1

Event after the Reporting Period - see Note 13

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on April 16, 2025 and are signed on its behalf by:

/s/ Noora Ahola
Noora Ahola
Director

/s/ Neil MacRae
Neil MacRae
Director

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

MAWSON FINLAND LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

		Three Months Ended February 28, 2025 \$	Three Months Ended February 29, 2024 \$	Nine Months Ended February 28, 2025 \$	Period from August 9, 2023 (Incorporation) to February 29, 2024 \$
Expenses	Note				
Accounting and administration	9(b)	22,561	28,245	84,430	44,245
Accretion of interest on lease liability	7	12,413	14,701	39,005	14,701
Audit		11,932	18,204	68,598	50,449
Corporate development		24,230	14,576	339,143	14,576
Depreciation and amortization	5, 7	29,678	28,318	89,037	28,318
Directors and officers compensation	9(a)	63,500	61,853	190,500	61,853
General exploration		-	3,403	-	3,403
Legal		-	31,563	222,742	47,533
Office and sundry		76,976	58,567	183,841	60,633
Professional fees		84,457	189,258	143,385	189,258
Regulatory fees		2,550	15,721	54,202	15,721
Rent		19,456	14,743	50,940	14,743
Share-based compensation	8(d)	41,667	91,012	212,288	91,012
Shareholder costs		2,392	-	12,146	-
Transfer agent		-	1,140	5,781	1,140
Travel		31,071	14,828	150,035	14,828
Vehicle rental		9,538	-	20,342	-
Website		831	-	5,015	-
		<u>433,252</u>	<u>586,132</u>	<u>1,871,430</u>	<u>652,413</u>
Loss before other items		<u>(433,252)</u>	<u>(586,132)</u>	<u>(1,871,430)</u>	<u>(652,413)</u>
Other items					
Interest income		21,256	41,833	107,440	41,833
Foreign exchange		<u>(14,541)</u>	<u>(4,422)</u>	<u>(23,371)</u>	<u>(4,422)</u>
		<u>6,715</u>	<u>37,411</u>	<u>84,069</u>	<u>37,411</u>
Comprehensive loss for the period		<u>(426,537)</u>	<u>(548,721)</u>	<u>(1,787,361)</u>	<u>(615,002)</u>
Basic and diluted loss per common share		<u>\$(0.02)</u>	<u>\$(1.66)</u>	<u>\$(0.13)</u>	<u>\$(1.84)</u>
Weighted average number of common shares outstanding		<u>19,050,235</u>	<u>331,311</u>	<u>14,170,306</u>	<u>333,427</u>

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

MAWSON FINLAND LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

Nine Months Ended February 28, 2025						
	Share Capital		Special Warrants	Share-Based Payments Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount \$				
Balance at May 31, 2024	750,500	150,100	14,549,905	271,441	(1,317,380)	13,654,066
Common shares issued:						
- private placement	2,875,000	2,875,000	-	-	-	2,875,000
- conversion of special warrants	15,424,735	14,549,905	(14,549,905)	-	-	-
Share issue costs	-	(201,852)	-	-	-	(201,852)
Share-based compensation:						
- share options	-	-	-	209,069	-	209,069
- deferred share units	-	-	-	3,219	-	3,219
Net loss for the period	-	-	-	-	(1,787,361)	(1,787,361)
Balance at February 28, 2025	19,050,235	17,373,153	-	483,729	(3,104,741)	14,752,141

Period from August 9, 2023 (Incorporation) to February 29, 2024						
	Share Capital		Special Warrants	Share-Based Payments Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount \$				
Balance at August 9, 2023	-	-	-	-	-	-
Common shares issued	750,500	150,100	-	-	-	150,100
Special warrants issued	-	-	14,324,735	-	-	14,324,735
Special warrants issue costs	-	-	(852,919)	-	-	(852,919)
Share-based compensation:						
- share options	-	-	-	67,362	-	67,362
- deferred share units	-	-	-	23,650	-	23,650
Net loss for the period	-	-	-	-	(615,002)	(615,002)
Balance at February 29, 2024	750,500	150,100	13,471,816	91,012	(615,002)	13,097,926

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

MAWSON FINLAND LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended February 28, 2025 \$	Period from August 9, 2023 (Incorporation) to February 29, 2024 \$
Operating activities		
Net loss for the period	(1,787,361)	(615,002)
Adjustments for:		
Depreciation and amortization	89,037	28,318
Foreign exchange	(2,008)	(9,518)
Share-based compensation	212,288	91,012
Accretion of interest on lease liability	39,005	14,701
Changes in non-cash working capital items:		
GST/VAT receivables	(474,797)	(418,784)
Prepaid expenses and deposits	(338,507)	26,530
Accounts payable and accrued liabilities	(94,388)	(119,264)
Net cash used in operating activities	<u>(2,356,731)</u>	<u>(1,002,007)</u>
Investing activities		
Expenditures on exploration and evaluation assets	(2,261,741)	(230,740)
Additions to property, plant and equipment	(3,266)	-
Addition to bonds	(5,965)	-
Acquisition of Mawson Oy	-	(6,587,126)
Cash acquired on acquisition of Mawson Oy	-	92,277
Net cash used in investing activities	<u>(2,270,972)</u>	<u>(6,725,589)</u>
Financing activities		
Issuance of common shares	2,875,000	150,100
Share issue costs	(201,852)	-
Deferred share issue costs	(61,476)	-
Issuance of special warrants	-	14,324,735
Special warrant issue costs	-	(852,919)
Subscription received for Special Warrant Financing	-	100,000
Payments on lease liability	(109,654)	(36,551)
Net cash provided by financing activities	<u>2,502,018</u>	<u>13,685,365</u>
Net change in cash	(2,125,685)	5,957,769
Cash at beginning of period	<u>3,772,382</u>	<u>-</u>
Cash at end of period	<u>1,646,697</u>	<u>5,957,769</u>

Supplemental cash flow information - Note 11

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

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

The Company was incorporated on August 9, 2023 as Springtide Capital Acquisitions 7 Inc. under the provisions of the Business Corporations Act (Ontario). On January 16, 2024 the Company changed its name to Mawson Finland Limited. On August 15, 2024, the Company completed its initial non-offering public offering (the "IPO") and on August 19, 2024 listed its common shares on the TSX Venture Exchange ("TSXV") under the symbol "MFL". The Company's head office is located at Alatie 2B, 96100, Rovaniemi, Finland.

With the completion of the acquisition of Mawson Oy, as described in Note 4, the Company is a resource company engaged in the acquisition and exploration of unproven mineral interests. As at February 28, 2025 the Company has not earned any production revenue, nor found proved reserves on any of its unproven mineral interests. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

The Company was recently established and has not commenced operations and to date has incurred losses. At February 28, 2025 the Company had a working capital deficit of \$502,999 and, on March 5, 2025, the Company completed a private placement financing of \$6,000,000. See Note 13. With the recent equity financing management considers that the Company has adequate resources to maintain its core operations, conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months. The Company also recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

Details of the Group and Non-controlling Interest

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at February 28, 2025 the subsidiaries of the Company are:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Mawson Finland Gold BC Limited	Canada	100%
Mawson Oy	Finland	100%

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

3. Material Accounting Policies

These condensed consolidated interim financial statements have been prepared on a basis consistent with the material accounting policies disclosed in the consolidated financial statements for the period ended May 31, 2024. Accordingly, they should be read in conjunction with the consolidated financial statements for the period ended May 31, 2024.

Accounting Standards and Interpretations Issued but Not Yet Effective

IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any other standards that have been issued would have no or very minimal impact on the Company's condensed consolidated interim financial statements.

4. Acquisition of Mawson Oy

On October 30, 2023 the Company agreed to acquire the Rajapalot Property. The acquisition of this asset was implemented through a share purchase agreement with Mawson Gold Limited ("Mawson Gold"), an arm's length publicly traded company on the TSXV, whereby Mawson Gold agreed to dispose all of the issued share capital and intercompany debt of its wholly-owned Finnish subsidiary, Mawson Oy, to the Company for \$6,500,000 cash (the "Springtide Transaction"). The only asset of Mawson Oy was its 100% ownership of the Rajapalot Property. On December 19, 2023 the Company paid \$6,500,000 to Mawson Gold and completed the Springtide Transaction. The Company also incurred legal and associated costs totalling \$87,126 relating to the Springtide Transaction for a total purchase price of \$6,587,126 (the "Purchase Price Consideration").

The Company elected to apply the concentration test and determined the Springtide Transaction represented an asset acquisition. It assessed that the fair value of the assets being purchased upon completion of the Springtide Transaction is concentrated in the mineral property acquired. The Company concluded that Mawson Oy did not constitute as a business as defined under IFRS 3 Business Combinations and the acquisition is therefore accounted for as an asset acquisition.

Purchase price consideration allocated as follows:

	\$
Cash	92,277
VAT receivable	32,633
Prepaid expenses and deposits	54,587
Accounts payable and accrued liabilities	(390,406)
Lease liability	(595,285)
Property, plant and equipment	45,444
Exploration and evaluation assets	6,577,886
Right of use asset	575,457
Bonds	194,533
	<u>6,587,126</u>

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

5. Property, Plant and Equipment

	Office and Field Equipment \$	Vehicles \$	Total \$
Cost:			
Balance at August 9, 2023	-	-	-
Acquisition of Mawson Oy (Note 4)	1,622	43,822	45,444
Balance at May 31, 2024	1,622	43,822	45,444
Addition	3,266	-	3,266
Balance at February 28, 2025	4,888	43,822	48,710
Accumulated Depreciation:			
Balance at August 9, 2023	-	-	-
Depreciation	(531)	(3,201)	(3,732)
Balance at May 31, 2024	(531)	(3,201)	(3,732)
Depreciation	(1,707)	(5,122)	(6,829)
Balance at February 28, 2025	(2,238)	(8,323)	(10,561)
Carrying Value:			
Balance at May 31, 2024	1,091	40,621	41,712
Balance at February 28, 2025	2,650	35,499	38,149

6. Exploration and Evaluation Assets

	As at February 28, 2025			As at May 31, 2024		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Finland - Rajapalot	7,100,841	7,779,971	14,880,812	6,764,557	3,468,460	10,233,017

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

	Total \$
Balance at August 9, 2023	-
Exploration costs	
Assays	72,329
Consulting	176,383
Drilling	2,705,836
Exploration site	4,278
Field equipment	6,685
Field workers	38,177
Fuel	9,199
Geochemical	8,177
Geophysics	33,559
Salaries and benefits	398,178
Travel	7,800
Vehicle rental	7,859
	<u>3,468,460</u>
Acquisition costs	
Acquisition of Mawson Oy (Note 4)	6,577,886
Mining rights	186,671
	<u>6,764,557</u>
Balance at May 31, 2024	10,233,017
Exploration costs	
Assays	617,781
Consulting	243,020
Drilling	2,315,856
Exploration site	1,059
Field equipment	16,771
Field workers	55,425
Fuel	14,130
Geochemical	22,836
Geological	10,268
Geophysics	407,443
Salaries and benefits	626,970
Travel	4,010
Vehicle rental	12,085
Government assistance	(36,143)
	<u>4,311,511</u>
Acquisition costs	
Mining rights	336,284
	<u>14,880,812</u>

Rompas - Rajapalot, Finland

As at February 28, 2025 the Company holds claims and exploration permits (the “Rajapalot Project”) which have been granted or are under application in northern Finland.

In order to retain possession of all claims and exploration permits it holds as at February 28, 2025 the Company will be required to make payments of approximately \$77,000 (€51,500) for the remainder of fiscal 2025 and \$698,000 (€465,000) in fiscal 2026 and \$368,500 (€245,500) in fiscal 2027. These payments are made to the underlying land owners.

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

7. Right of Use Asset

	\$
Cost:	
Balance at August 9, 2023	-
Acquisition of Mawson Oy (Note 4)	<u>575,457</u>
Balance at May 31, 2024 and February 28, 2025	<u>575,457</u>
Accumulated amortization:	
Balance at August 9, 2023	-
Amortization	<u>(54,805)</u>
Balance at May 31, 2024	<u>(54,805)</u>
Amortization	<u>(82,208)</u>
Balance at February 28, 2025	<u>(137,013)</u>
Carrying value:	
Balance at May 31, 2024	<u>520,652</u>
Balance at February 28, 2025	<u>438,444</u>

The Company has a lease contract for office and warehouse premises. It does not have any subleases. As at February 28, 2025 the lease liability has a remaining lease term of approximately five years or less and were determined using effective interest rate of 10%. The undiscounted cash-flows over the remaining lease term is approximately \$584,822.

	Nine Months Ended February 28, 2025 \$	Period from August 9, 2023 (Incorporation) to February 29, 2024 \$
Balance, beginning of period	551,034	-
Acquisition of Mawson OY (Note 4)	-	595,285
Accretion of interest	39,005	14,701
Payments	<u>(109,654)</u>	<u>(36,551)</u>
Balance, at end of period	<u>480,385</u>	<u>573,435</u>
Current portion of lease liability	102,794	93,050
Non-current portion of lease liability	<u>377,591</u>	<u>480,385</u>
Total lease liability	<u>480,385</u>	<u>573,435</u>

As at February 28, 2025 the total of future minimum lease payments under the lease are as follows:

	\$
Less than one year	146,206
Greater than one year	<u>438,616</u>
	<u>584,822</u>

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
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8. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Nine Months Ended February 28, 2025

On July 23, 2024 the Company obtained a receipt for its final prospectus for its IPO and, on August 15, 2024, closed the IPO and issued 2,875,000 common shares at a price of \$1.00 per share, including 375,000 common shares following the exercise in full by the agent of its over-allotment option, for aggregate gross proceeds to the Company of \$2,875,000.

See also Note 13.

Period Ended May 31, 2024

During the period ended May 31, 2024 the Company issued 750,500 common shares, at \$0.20 per share, for \$150,100 cash, to Nuvolari Capital Limited ("Nuvolari"), a private company owned by the former President of the Company.

(c) ***Special Warrants***

During the period ended May 31, 2024 the Company completed several tranches of the non-brokered portion of the Transaction Financing (the "Non-Brokered Financing") for \$15,424,735 and issued 15,424,735 Special Warrants. The Company paid a total of \$874,830 for finder's fees and financial and legal services associated with the Non-Brokered Financing, of which \$394,627 was paid to Nuvolari. Current and former directors and officers of the Company purchased a total of 1,417,500 Special Warrants.

On completion of the IPO, the 15,424,735 Special Warrants were deemed to be exercised and the Company issued 15,424,735 common shares without further consideration.

(d) ***Long-term Incentive Plan***

On December 1, 2023 the Company adopted a new "rolling" 10% long-term incentive plan (the "LTI Plan") pursuant to which the Company may award restricted share units ("RSUs"), deferred share units ("DSUs"), and grant share options to directors, officers, employees, management company employees and consultants of the Company. The maximum number of common shares that may be reserved for issuance pursuant to the LTI Plan will not exceed 10% of the issued and outstanding shares of the Company at the time of the award or grant.

(i) ***Share Option Plan***

During the nine months ended February 28, 2025 the Company recorded compensation expense of \$209,069 on the vesting of share options previously granted.

During the period ended February 29, 2024 the Company granted share options to purchase a total of 1,190,000 common shares and recorded compensation expense of \$67,362 on the vesting of share options.

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

8. Share Capital (continued)

The fair value of Company share options granted during the period ended February 29, 2024 is estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 3.17% - 3.54%; estimated volatility of 80%; expected life of 5 years; expected dividend yield of 0%; and an estimated forfeiture rate of 0%. The weighted average grant date fair value of all Company share options granted during the period ended February 29, 2024 was \$0.64 per share option.

A summary of the Company's share options at February 28, 2025 and February 29, 2024 and the changes for the period ended on that date, is as follows:

	2025		2024	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,190,000	1.15	-	-
Granted	-	-	1,190,000	1.15
Balance, end of period	1,190,000	1.15	1,190,000	1.15

The following table summarizes information about the Company share options outstanding and exercisable at February 28, 2025:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
525,000	-	1.15	December 19, 2028
360,000	210,000	1.15	January 25, 2029
305,000	305,000	1.15	February 9, 2029
1,190,000	515,000		

(ii) *Deferred Share Units ("DSU") Plan*

During the period ended May 31, 2024 the Company awarded 35,000 DSUs to a director of the Company, of which 17,500 DSUs were vested as at May 31, 2024 and the remaining 17,500 DSUs vested during the nine months ended February 28, 2025, with the Company recognizing \$3,219 as share-based compensation expense.

(e) *Escrowed Shares*

As at February 28, 2025, 1,034,000 common shares were held in escrow pursuant to the policies of the TSXV.

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

9. Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

(a) *Transactions with Key Management Personnel*

During the nine months ended February 28, 2025 and the period ended February 29, 2024 the Company incurred a total of \$336,170 (2024 - \$115,889) to key management personnel for salaries and fees which have been allocated based on the nature of the services provided: expensed \$190,500 (2024 - \$61,853) to directors and officers compensation; and capitalized \$145,670 (2024 - \$54,036) to exploration and evaluation assets. As at February 28, 2025 \$6,000 (May 31, 2024 - \$13,500) remained unpaid and has been included in accounts payable and accrued liabilities.

In addition the Company recorded share-based compensation of \$107,570 (2024 - \$74,197) on the vesting of share options and DSUs to its key management personnel.

- (b) During the nine months ended February 28, 2025 the Company incurred a total of \$47,800 (2024 - \$36,500) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO, and \$3,015 (2024 - \$670) for rent. As at February 28, 2025 \$335 (May 31, 2024 - \$10,170) remained unpaid and has been included in accounts payable and accrued liabilities.
- (c) Peterson McVicar LLP ("Peterson"), of which a former director of the Company is a partner of Peterson, provided legal services to the Company. During the period ended February 29, 2024 the Company incurred \$222,091 of which \$185,827 was incurred during the period the partner was a director of the Company.
- (d) See also Notes 8(b) and 8(c).

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVOCI"). The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	February 28, 2025 \$	May 31, 2024 \$
Cash	FVTPL	1,646,697	3,772,382
Bonds	Amortized cost	213,850	205,877
Accounts payable and accrued liabilities	Amortized cost	(2,994,335)	(702,669)
Lease liability	Amortized cost	(480,385)	(551,034)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities and time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for lease liability approximate their fair value and they have interest at market rates for similar debt. The recorded amounts for cash and bonds approximate their fair value. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the potential loss related to the credit risk included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at February 28, 2025				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,646,697	-	-	-	1,646,697
Bonds	-	-	213,850	-	213,850
Accounts payable and accrued liabilities	(2,994,335)	-	-	-	(2,994,335)
Lease liability	(25,698)	(88,055)	(377,591)	-	(480,385)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains foreign currency bank accounts to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At February 28, 2025, 1 Canadian Dollar was equal to 0.67 Euro and 0.69 US Dollar.

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Balances are as follows:

	Euros	US Dollars	CDN \$ Equivalent
Cash	339,513	11,672	525,607
VAT receivable	340,703	-	508,511
Bonds	142,500	-	213,850
Accounts payable and accrued liabilities	<u>(1,942,716)</u>	<u>-</u>	<u>(2,899,576)</u>
	<u>(1,120,000)</u>	<u>11,672</u>	<u>(1,653,608)</u>

Based on the net exposures as of February 28, 2025 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Euro and US Dollar would result in the Company's net income or loss being approximately \$177,000 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash and cash equivalents and short-term investments. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Supplemental Cash Flow Information

During the nine months ended February 28, 2025 and the period ended February 29, 2024 non-cash activities were conducted by the Company as follows:

	2025 \$	2024 \$
Operating activity		
Accounts payable and accrued liabilities	<u>(2,386,054)</u>	<u>1,590,136</u>
Investing activity		
Exploration and evaluation assets	<u>2,386,054</u>	<u>(1,590,136)</u>
Financing activities		
Conversion of special warrants	(14,549,905)	-
Issuance of common shares	<u>14,549,905</u>	<u>-</u>
	<u>-</u>	<u>-</u>

MAWSON FINLAND LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025
(Unaudited - Expressed in Canadian Dollars)

12. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company is in the exploration stage and has no reportable segment revenues or operating results.

As at February 28, 2025 the Company's total assets are segmented geographically as follows:

	Canada \$	Finland \$	Total \$
Current assets	1,265,363	1,328,767	2,594,130
Property, plant and equipment	-	38,149	38,149
Exploration and evaluation assets	-	14,880,812	14,880,812
Right of use asset	-	438,444	438,444
Bonds	-	213,850	213,850
Deferred share issue costs	197,418	-	107,418
	<u>1,462,781</u>	<u>16,900,022</u>	<u>18,362,803</u>

13. Event after the Reporting Period

On March 5, 2025 the Company completed a private placement of 3,157,895 common shares for proceeds of \$6,000,000. As at February 28, 2025 the Company had incurred \$61,476 for legal services associated with the private placement.