



MAWSON WEST LIMITED

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2012**

April 2, 2013

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its subsidiaries and affiliates, the estimation of Mineral Reserves and Mineral Resources, realisation of Mineral Reserve and Mineral Resource estimates, costs and timing of development of the Company’s projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterised by words such as “plan”, “expect”, “budget”, “target”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words or statements that certain events or conditions “may” or “will” occur.

Forward-looking information involves known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others: general business, economic, competitive, political and social uncertainties; civil unrest; the actual results of current exploration activities; conclusions of economic evaluations; fluctuations in currency exchange rates; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of copper; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; actual results of reclamation activities; fluctuations in commodity prices and, in particular, the price of copper; the inherent risks and dangers of mining exploration and operations in general; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of Mineral Resources and Mineral Reserves; general risks associated with the feasibility, development and production of each of the Company’s projects; the risk that further funding may be required, but unavailable, for the ongoing exploration, development and production of the Company’s projects; changes in government regulations, policies or legislation; unforeseen expenses; fluctuation in the exchange rate of the United States dollar, the Congolese Franc, the Australian dollar or the Canadian dollar; restrictions on the repatriation of earnings by the Company’s subsidiaries; litigation risk; risks of being unable to sell production resulting from the development of a project; foreign investment risks in the Democratic Republic of Congo; changes in laws or regulations of the Democratic Republic of Congo; future actions by the Government of the Democratic Republic of Congo; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company’s property interests; uninsured hazards; disruptions to the Company’s supplies or service providers; reliance on key personnel; retention of key employees; absence of dividends; competition; inability to effect service of process or to enforce judgments within Canada upon and against the directors and officers of the Company and the experts named in this Annual Information Form; current global financial conditions; litigation; and the factors discussed in the section entitled “*Risk Factors*”.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made based on the opinions and estimates of management as at the date the statements are made, and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable Canadian securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

TECHNICAL INFORMATION

Technical information relating to the Company’s projects contained in this Annual Information Form is derived from, and in some instances is an extract from, the following technical reports (“**Technical Reports**”).

The scientific and technical information relating to the Dikulushi Mine (as hereinafter defined) contained in this Annual Information Form, or incorporated by reference herein, is derived from, and in some instances is an extract from, the technical report on the Dikulushi Mine entitled “Technical Report on the Dikulushi Copper Project, Democratic Republic of Congo” dated February 3, 2011 and revised on March 7, 2011 (the “**Dikulushi Report**”), and prepared for the Company by David Gray, BSc Hons (Geology), MAusIMM, PrSciNat and Ian Glacken, BSc Hons (Geology), MSc (Mining Geology), MSc (Geostatistics), Grad. Dip. Comp, DIC, FAusIMM (CP), CEng, MIMMM, both of Optiro Pty Ltd., and Peter Hayward, Diploma of Metallurgy, FAusIMM of Sedgman Ltd., each of whom was an independent Qualified Person pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) at the time the Dikulushi Report was prepared.

The scientific and technical information relating to the Dikulushi Cutback Project (as hereinafter defined) contained in this Annual Information Form, or incorporated by reference herein, is derived from, and in some instances is an extract from, the technical report on the Dikulushi Cutback Project entitled “Technical Report on the Dikulushi Open Pit Project, Democratic Republic of Congo” dated September 16, 2011 and revised 8 January 2013 (the “**Dikulushi Open Pit Report**”), and prepared for the Company by David Gray, BSc Hons (Geology), MAusIMM, PrSciNat and Andrew Law, HND (MMin), MBA, FAusMM, FIQA, MAICD, both of Optiro Pty Ltd., each of whom was an independent Qualified Person pursuant to NI 43-101 at the time the Dikulushi Open Pit Report was prepared.

The scientific and technical information relating to the Boomgate deposit contained in this Annual Information Form, or incorporated by reference herein, is derived from, and in some instances is an extract from, the technical report on the Boomgate deposit entitled “Technical Report on the Boomgate Mineral Resources Estimate, Dikulushi Project, Democratic Republic of Congo” dated December 21, 2011 (the “**Boomgate Report**”), and prepared for the Company by David Gray, BSc Hons (Geology), MAusIMM, PrSciNat of Optiro Pty Ltd., who was an independent Qualified Person pursuant to NI 43-101 at the time the Boomgate Report was prepared.

The scientific and technical information relating to the Kapulo Project (as hereinafter defined) contained in this Annual Information Form, or incorporated by reference herein, is derived from, and in some instances is an extract from, the technical report on the Kapulo Project entitled “Kapulo Copper Project, DRC, National Instrument 43-101 Technical Report” dated June 30, 2011 (the “**Kapulo Report**”), and prepared for the Company by Harry Warries, MSc Mine Engineering, FAusIMM, and Chris Johns, MSc, P.Eng.(Alberta), CPEng of Coffey Mining Pty Ltd, Steve LeBrun, BSc(Hons), MSc, MAusIMM, MMICA (former employee of Coffey Mining Pty Ltd), Peter Hayward, Diploma of Metallurgy, FAusIMM and Aaron Massey, BEng(Chem), MAusIMM of Sedgman Ltd. and Chris Orr, MSc, MAusIMM, MAIG of George, Orr and Associates (Australia) Pty Ltd., each of whom was an independent Qualified Person pursuant to NI 43-101 at the time the Kapulo Report was prepared.

The Technical Reports use the definitions, classifications system and guidelines of the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia (the “**JORC Code**”). The Resource and Reserve classification system of the JORC Code is directly comparable to the Mineral Resource and Mineral Reserve classification system of the CIM Standards on resources and reserves of the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM Standards**”).

Reference should be made to the full text of the technical reports noted above, each of which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company’s profile on SEDAR at www.sedar.com.

Mr Bruce McFadzean, Dip. Mining, FAusIMM of Mawson West, the Company’s internal Qualified Person as defined by NI 43-101, has reviewed and approved the scientific and technical information concerning the Dikulushi Mine and the Kapulo Project disclosed in the Annual Information Form.

CURRENCY

The financial statements of the Company are reported in United States dollars. References in this Annual Information Form to “\$” or “US\$” are to United States dollars. References in this Annual Information Form to “A\$” are to Australian dollars. References in this Annual Information Form to “C\$” are to Canadian dollars. References in this Annual Information Form to “CDF” are to Congolese Francs.

CORPORATE STRUCTURE

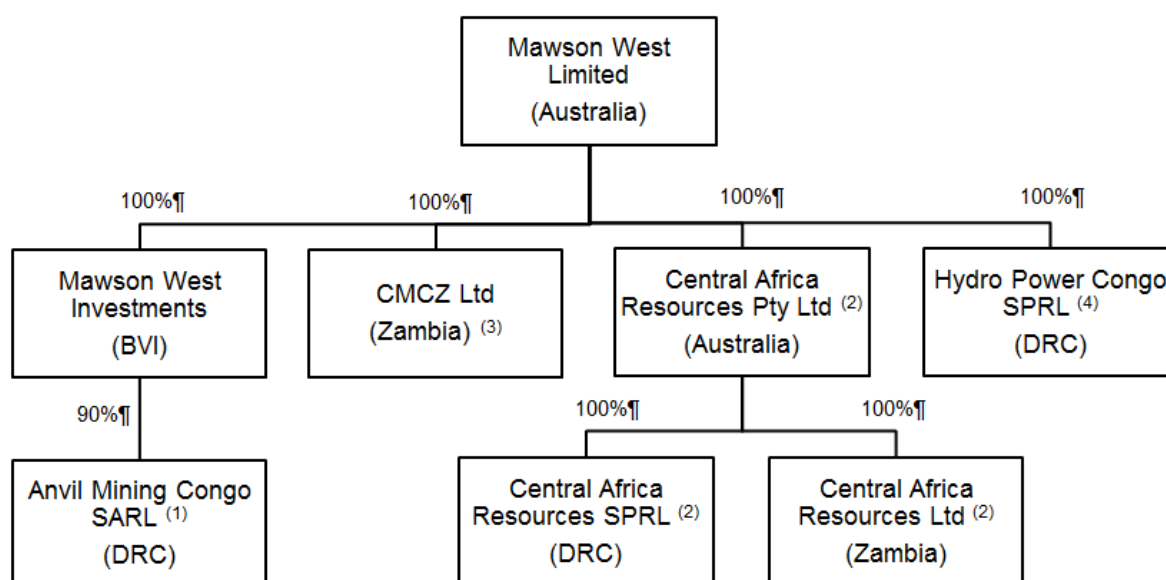
Name Address and Incorporation

Mawson West Limited (“**Mawson West**” or the “**Company**”) is incorporated under the *Corporations Act 2001* (Commonwealth of Australia). The Company was originally incorporated on February 12, 1996 under the name of Pan Asia Mining NL. After a series of name changes, on July 16, 2002, the Company changed its name to Mawson West Limited. The Company was listed on the Australian Securities Exchange (the “**ASX**”) in September 1997 and voluntarily delisted from the ASX in June 2009. The Company was listed on the Toronto Stock Exchange (the “**TSX**”) on March 24, 2011.

The Company’s registered and head office is located at 1 Walker Ave, West Perth, Western Australia, 6005, Australia. Mawson West also maintains two offices in the Democratic Republic of Congo, one in Lubumbashi and the other in Kinshasa.

Intercorporate Relationships

The following diagram indicates the corporate structure of the Company and its subsidiaries, the percentage of voting securities beneficially held, and the jurisdiction of incorporation of each entity:



Notes:

- (1) The other 10% of the company is held by the Dikulushi-Kapulo Community Foundation Non-Profit Organisation in accordance with the terms of the Dikulushi Mining Convention.
- (2) These subsidiaries were established by the Company in order to pursue the farm-in agreement on the Kapulo Project with Anvil and Anvil Mining Congo SARL. As a result of the Company’s acquisition of Anvil’s interest in Anvil Mining Congo SARL, these subsidiaries no longer play a material role in the corporate structure of Mawson West.
- (3) Originally incorporated under the name Anvil Mining Zambia Limited on 23 April 1996. Subsequent to being acquired from Anvil, Anvil Mining Zambia Limited changed its name to CMCZ Limited on 24 November 2011.
- (4) This subsidiary was established by the Company to enable it to provide power distribution services in support of the Company’s mining interests in the DRC. At present it does not play a material role in the corporate structure of Mawson West.

Unless the context otherwise requires, references in this Annual Information Form to “**Mawson West**” or the “**Company**” are references to Mawson West and all of its subsidiaries taken as a group.

Mawson West also holds a 32.6% interest in Orrex Resources Ltd (“**Orrex**”), an Australian-based and Australian-incorporated resource company listed on the ASX (ASX:ORX).

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Mawson West is a copper explorer, developer and producer based in Perth, Australia which has its ordinary shares listed on the TSX in Toronto, Canada.

Mawson West’s focus is on the Democratic Republic of Congo (the “**DRC**”) and its major asset is its ownership of the tenements governed by the Dikulushi Mining Convention, which are held by its 90% owned subsidiary Anvil Mining Congo SARL (“**AMC**”). The tenements owned by AMC cover a land package of approximately 7,300 km² and encompass the Company’s two main projects, the Dikulushi copper-silver mine (the “**Dikulushi Mine**”) and the Kapulo copper exploration and development project (the “**Kapulo Project**”) as well as multiple exploration targets.

The Dikulushi Mining Convention is a mining concession granted by the DRC Government on January 31, 1998 and ratified by Presidential Decree on February 27, 1998, which sets out the regulatory and fiscal regime applicable to AMC’s mining interests in the DRC.

Historical Background

Mawson West commenced its activities in the DRC in April 2006 when it entered into a farm-in agreement (the “**Farm-in Agreement**”) relating to the Kapulo Project with Anvil Mining Ltd (“**Anvil**”) and AMC, which was then a subsidiary of Anvil. The Farm-in Agreement gave Mawson West the right to earn a 65% joint venture interest in the Kapulo Project by spending US\$4 million on exploration within 4 years. Additionally, upon the Company defining an Indicated Resource of 50,000 tonnes contained copper (at 4% Cu) within the Kapulo Project area, Anvil would be issued with 10 million ordinary shares in the Company. Mawson West’s subsequent exploration work on the Kapulo Project in 2006, 2007 and the first half of 2008 resulted in the Company defining over 200,000 tonnes of contained copper at the Kapulo Project. By October 2008 the Company had completed its required expenditures and earned its 65% interest in the Kapulo Project.

Three Year History

Acquisition of AMC

In April 2010 the Company acquired Anvil’s 90% interest in AMC, being the registered owner of the tenements governed by the Dikulushi Mining Convention, as well as 100% of Anvil Mining Zambia Ltd (now renamed CMCZ Limited). As AMC is also the owner of the Kapulo Project, the acquisition of AMC resulted in Mawson West increasing its interest in the Kapulo Project from 65% to 90%.

The remaining 10% equity interest in AMC is held by the Dikulushi-Kapulo Community Foundation Non-Profit Organisation in accordance with the terms of the Dikulushi Mining Convention. In connection with the acquisition, Mawson West issued 83,070,000 ordinary shares (which occurred prior to the Consolidation (as hereinafter defined)) to Anvil Mining Investments Limited, representing approximately 28% of the issued capital of Mawson West at that time (73,070,000 ordinary shares were issued pursuant to the Dikulushi Share Sale Agreement, and 10,000,000 ordinary shares were issued as consideration due under the Farm-in Agreement).

Dikulushi

In July 2010, Mawson West began operating the Dikulushi Mine processing plant commencing with treatment of a low-grade stockpile previously mined by Anvil. While the Company was processing the low-grade stockpile, exploration was focused on defining additional Mineral Resources within trucking distance of the Dikulushi Mine processing plant. In August 2011, Mawson West announced the completion of a positive feasibility study concerning the exploitation of some of the remaining known Mineral Resources at Dikulushi through an open pit cutback, being the Dikulushi Cutback Project.

In January 2012, mining commenced at the Boomgate satellite deposit. In February 2012, processing of the low-grade stockpile was completed. Mining of the Boomgate deposit was completed in September 2012 and the final stockpiled ore from it was processed through the Dikulushi plant in October 2012.

The Company has commenced the application process for an exploitation permit for the Kazumbula area. Any

material mined from this deposit is intended to be processed through the Dikulushi plant.

In the fourth quarter of 2012, Mawson West successfully completed the transition of the Dikulushi Cutback Project to full scale production, representing an important milestone for the Company.

Kapulo

Since acquiring its interest in the Kapulo Project in 2006, the Company has continued with exploration work including infill, metallurgical, hydrogeological and geotechnical drilling, analysis and test work, and regional exploration. In July 2011, Mawson West announced the completion of a feasibility study supporting the development of an open cut mine and processing plant at the Kapulo Project. Following these positive feasibility study results, the Company committed to the development of the Kapulo Project and commenced early site earthworks and camp construction at Kapulo shortly thereafter.

Financings and Listings

In June 2010, the Company completed a financing pursuant to which it issued 4,384,775 ordinary shares (on a pre- Consolidation basis) at a price of C\$0.30 per share, for aggregate gross proceeds of C\$1,315,432.

Between July 1, 2010 and June 30, 2011, the Company completed additional equity financings for aggregate gross proceeds of approximately C\$125 million and successfully listed its ordinary shares for trading on the TSX as follows:

- in the second half of 2010, the Company raised equity financing by issuing 17,772,376 ordinary shares (on a pre-Consolidation basis) at a price of C\$0.30 per share for an aggregate gross value of C\$5,331,713;
- on December 21, 2010 and January 24, 2011 the Company issued and sold (on a pre-Consolidation basis) an aggregate of 120,000,000 subscription receipts at a price of C\$0.50 per subscription receipt for aggregate gross proceeds of \$60,000,000, which were subsequently exercised into 30,000,000 ordinary shares of the Company for no additional consideration following the satisfaction of certain escrow release conditions; and
- on March 24, 2011, the Company completed a Canadian initial public offering of 30,000,000 ordinary shares at a price of C\$2.00 per share for gross proceeds of C\$60,000,000 pursuant to a final prospectus dated March 18, 2011 filed in each of the provinces of Canada except Québec.

On June 14, 2012 Mawson West announced the finalisation of a US\$30 million working capital facility with RMB Australia Holdings Ltd (the “**Working Capital Facility**”). The Company has drawn down US\$30.0 million under the Working Capital Facility. The Working Capital Facility is secured by a charge over the assets of the Company and AMC. Security has also been granted over the shares in AMC. The Working Capital Facility contains normal commercial terms including commitment and arrangement fees payable to RMB.

The Company obtained an overdraft facility from Banque Commerciale du Congo in August 2012 for up to US\$5.0 million, expiring on March 31, 2013.

In October 2012, the Company accepted an offer from RMB to extend the existing Working Capital Facility by US\$5.0 million. The US\$5.0 million extension is available for drawdown until 31 March 2013. Amounts drawn on this extended facility are repayable in two equal tranches on September 30, 2013 and December 31, 2013. Under the terms of the offer, RMB was issued 750,000 warrants upon the Company accepting the offer. Such warrants have an exercise price of C\$1.21. For every US\$1 million drawn down under the facility, RMB is entitled to be issued a further 250,000 warrants with an exercise price set at a 30% premium to the 10 day volume weighted average share price on the date of issue. All the warrants have an expiry date of 2 years from their date of issue and are subject to an accelerated exercise requirement if the 5 day volume weighted average share price of the Company is 100% above the exercise price. The extended facility has not been drawn down.

On December 20, 2012, the Company completed a public offering of 20,000,000 ordinary shares at a price of C\$0.60 per share for gross proceeds of C\$12,000,000 pursuant to a final short form prospectus dated 14 December 2012 filed in each of the provinces of Canada except Québec. The offering was co-led by Cormack Securities Inc. and also included Paradigm Capital Inc. and Clarus Securities Ltd (collectively, the “Underwriters”). Concurrently with completion of the offering, the Underwriters exercised in full an over-allotment option to purchase an additional 3,000,000 shares pursuant to the option, which was previously granted by the Company. As a result, the total number of shares issued was 23,000,000, resulting in total gross proceeds to the Company of \$13,800,000.

Consolidation

On January 20, 2011, the Company completed a consolidation of its ordinary shares (the “**Consolidation**”) on a 1-for-4 basis. The Consolidation had the effect of reducing the issued and outstanding ordinary shares of the Company then outstanding from 329,448,441 to 82,362,189. As a result of the Consolidation, the number of ordinary shares issuable upon exercise of all then outstanding convertible securities of the Company, including subscription receipts and stock options, was also adjusted on a 1-for-4 consolidation basis, with a concurrent adjustment to any exercise price for such securities.

Corporate

Mr Philippe Monier was appointed as non-executive director of the Company in February 2012.

On June 29, 2012, the Company announced the resignation of Mr David Frances as the President / Chief Executive Officer (“**CEO**”) of the Company and the appointment of Mr Mark Stowell as interim President and CEO. Mr Anthony Lloyd former Deputy Chairman, replaced Mr. Stowell as Chairman of the Board of Directors. The Company also announced the appointment of Mr. Greg Entwistle as Chief Operating Officer.

On September 18, 2012, the Company announced the appointment of Mr. Bruce McFadzean as the CEO / Managing Director of the Company, effective October 8, 2012. Mr. Stowell continues as a director of the Company.

On January 17, 2013, Mawson West announced the appointment of Mr Mark Di Silvio as the Company’s Chief Financial Officer, effective February 1, 2013, following the resignation of Mr Jonathan Asquith.

Following shareholder approval in May 2012, Ernst & Young were appointed the Company’s Auditor, replacing Stantons International Audit and Consulting Pty Ltd. As at the date of their resignation, there were no reservations in the Auditor’s Reports for any of the audits completed by Stantons on the financial statements of the Company.

2013 Objectives and Strategy

Mawson West’s principal objectives are to expand copper production at the Dikulushi Mine, commence copper production at the Kapulo Project and further explore areas governed by the Dikulushi Mining Convention to identify new Mineral Resources. Accordingly:

- During the last quarter of 2012, Mawson West successfully completed the ramp-up of the Dikulushi Cutback Project (open pit). The Company is now mining and processing high grade ore from the upper levels of the deposit. Mawson West expects to produce between 20,000 and 22,000 tonnes of copper from the Dikulushi open pit in 2013. C1¹ costs in 2013 are anticipated to be less than \$0.35 per pound of copper produced.
- Mawson West has commenced a study to assess the underground potential at Dikulushi, where the high grade deposit remains open at depth, providing an opportunity to increase the life of the Dikulushi Mine. Phase 1 of the study targets mining of the upper levels of the Measured Resource from the existing infrastructure and is intended to be completed during Q2 2013. Phase 2, associated with mining the deeper levels of the Measured and Indicated Resource from existing infrastructure, is targeted to be completed during Q4 2013.
- Construction is continuing at a scaled back rate of expenditure at the Kapulo Project, funded through a combination of existing cash and cash flow from the Dikulushi Mine. Cumulative project costs totalled \$61.0 million by the end of 2012, including owner’s costs. The Company is in the advanced stage of a design review and costing study of the Kapulo copper project, with the aim of optimising the process flow sheet and capital costs. In addition, the Company has commenced a review of the mine design, cutback design and mine scheduling to include the Safari deposits in the mine plan.
- Exploration spending in 2013 is budgeted to be approximately \$11 million as Mawson West intends to evaluate multiple near-mine and stand-alone exploration opportunities within the tenements governed by

¹ The term “C1 cost” is a non-GAAP and non-IFRS financial performance measure reported in this document. C1 costs are direct cash operating costs per pound of copper produced, net of silver by-product credits. Direct cash operating costs per pound include all mining and processing costs, mine site overheads and realisation costs (including transport costs, treatment and refining costs and smelter recovery deductions) through to refined metal. The term C1 cost does not have any standardised meaning prescribed by GAAP or IFRS and therefore may not be comparable to similar measures presented by other issuers.

the Dikulushi Mining Convention. Exploration work continues and is planned for the satellite mineralisation targets at Dikulushi as well as mineralisation targets across the Kapulo and Lufukwe areas.

- To date, Mineral Resources have been defined at the Dikulushi satellite deposits, Boomgate and Kazumbula. The Boomgate Mineral Resources have been depleted through open pit mining. Extensional drilling is continuing at Kazumbula, with a Mineral Resource update expected by mid-2013. In addition, a maiden Mineral Resource is expected for the Kabusanje mineralisation by mid-2013. Drilling is scheduled to recommence at Lufukwe during Q2 2013 following the wet season.

The Company continues to consider other opportunities in the DRC and elsewhere which have the capacity to expand the Company's low cost copper production profile.

DESCRIPTION OF THE BUSINESS

GENERAL

Mawson West is a copper explorer, developer and producer. At present the Company's primary assets are in the DRC where its flagship projects, the Dikulushi Mine (including the Dikulushi Cutback Project), and the Kapulo Project are both located.

Mawson West is incorporated in Australia and is listed on the TSX in Canada, trading under the symbol MWE.

Financing for Projects

The Company's existing cash, available debt facilities and cash-flows to be generated from material produced and sold from the Dikulushi Cutback Project are expected to provide the Company with sufficient capital to complete development of the Kapulo Project.

Employees

As at the date of this Annual Information Form, the Company has 30 employees at its office in Perth, Australia and approximately 700 employees working at its offices and property sites in the DRC.

Business Cycle

The Company is a copper producer, developer and explorer and as such copper prices can have a direct impact on the Company's business. Declining prices can, for example, impact operations by requiring a re-assessment of the feasibility of a particular project. See "Risk Factors".

Environmental Policies and Protection

The Company seeks to conduct its activities to a high standard of environmental responsibility, including compliance with all applicable environmental laws, policies, regulations and plans and conducts its operations in a manner to keep any environmental impacts to a minimum. The operations of the Company are located within the DRC and are subject to DRC laws and regulations concerning the environment.

Social Responsibility Program

The Company is committed to facilitating the development of the local communities where it operates. In addition, Mawson West believes it has a responsibility to ensure that stakeholders understand the purposes of its projects and gain benefits from their implementation, thus creating a positive business environment.

The Company has created approximately 1,000 jobs directly and indirectly for local community members, in conjunction with apprenticeship and other development programs to teach relevant skills. The Company has been working with the DRC Government, local communities and various non-governmental organisations on programs aimed at social, economic and institutional development, with a particular focus on long-term sustainable projects.

In addition, 10% of AMC is held by the Dikulushi-Kapulo Community Foundation Non-Profit Organisation in accordance with the terms of the Dikulushi Mining Convention.

The Company intends to continue to focus on social responsibility strategies to ensure that its presence in the DRC benefits all stakeholders.

THE DIKULUSHI MINE

Project Description and Location

Mawson West Investments Ltd., a wholly-owned subsidiary of Mawson West, holds 90% of the issued capital of AMC, with the remaining 10% being held by the Dikulushi-Kapulo Community Foundation Non-Profit Organisation in accordance with the terms of the Dikulushi Mining Convention.

Pursuant to the Dikulushi Mining Convention, AMC holds an exploitation permit (Exploitation Permit 606) issued by Ministerial Decree on January 31, 2002 which covers an area of 40.77 km² over the Dikulushi Mine area. In addition, AMC holds eighteen exploration permits and Exploitation Permit 1697, which are all also governed by the Dikulushi Mining Convention. Exploitation Permit No. 606 is valid until January 30, 2022, and is renewable thereafter for periods of 10 years, subject to compliance with its terms and applicable legislation. There are no competing mining rights (for example, small artisanal mining licenses) in the project area. AMC's exploration permits expired in April/May 21, 2011 and were renewed once for an additional period of five years.

Dikulushi Mine is located in Katanga Province in the south eastern corner of the DRC at latitude 08°53'37.7 South and longitude 28°16'21.8 East, approximately 50 km north-northwest of the small town of Kilwa and situated on the south western side of Lake Mweru.

Mining operations at the Dikulushi deposit and the Boomgate deposit were conducted under Exploitation Permit 606. Dikulushi, the related mine camp, processing plant, run-of-mine ("ROM") ore pad, tailings dam, waste rock dump, Boomgate and the Golfcourse prospect are located within Exploitation Permit 606.

The Kazumbula deposit is located within Exploration Permit 1706. In 2012, AMC commenced the application process for a partial conversion of Exploration Permit 1706 into an Exploitation Permit.

Mineral Resources have been declared and reported according to the NI-43101 form for Dikulushi, Boomgate and Kazumbula copper silver deposits. The reader is referred to these reports for additional detail.

Dikulushi, Boomgate (depleted), Kazumbula and the Golfcourse prospect, are located within a 15 km radius of the Dikulushi processing plant.

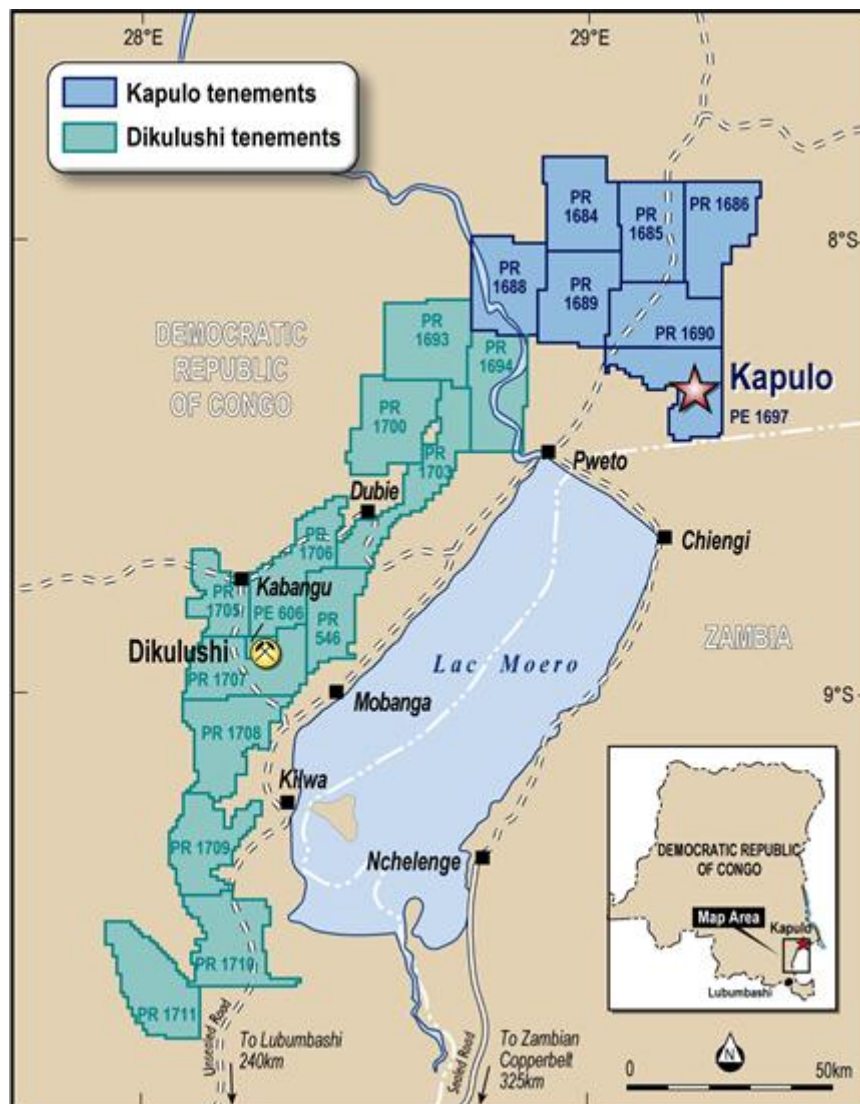
Mawson West has been operating the Dikulushi processing plant since July 2010 when it commenced treatment of a low-grade stockpile from which it produced approximately 350-400 tonnes of copper and 25,000-30,000 oz of silver per month in concentrate. Processing of the low-grade stockpile was completed in February 2012, after which processing from Boomgate Mineral Resources commenced. Mining at Boomgate was completed in September 2012 and the final stockpiled ore was processed in October 2012.

In August 2011, Mawson West announced the completion of a positive feasibility study concerning the exploitation of some of the remaining known Mineral Resources at Dikulushi through an open pit cutback. With a mine life of between 16 and 18 months, the Dikulushi Cutback Project, as calculated in September 2011, targets the Proved and Probable Mineral Reserves of 539,000 tonnes at 6.1% copper and 182 grams per tonne silver.

During the fourth quarter of 2012, the Company commenced full scale production of ore produced from the Dikulushi open pit, with steady state production achieved in December 2012. Production from the Dikulushi open pit is expected to continue until the end of 2013. As at December 31, 2012, approximately 20% of the Mineral Reserve has been mined. The total capital costs incurred for the Dikulushi open pit, prior to the commencement of commercial production were \$69.2 million.

Mawson West has commenced a study to assess the underground potential at Dikulushi, where the high grade deposit remains open at depth, providing an opportunity to increase the life of the Dikulushi Mine. Phase 1 of the study targets mining of the upper levels of the Measured Resource from the existing infrastructure and is intended to be completed during Q2 2013. Phase 2 of the study, associated with mining the deeper levels of the Measured and Indicated Resource from existing infrastructure, is targeted to be completed during Q4 2013.

Location of the Dikulushi Mine and
Exploitation Permit and Exploration Permits



Production at Dikulushi during the year ended 31 December 2012 was 5,818 tonnes copper and 396,796oz silver in concentrate. Process plant feed grades exceeded 2.8 % copper and 59 g/t with process plant recoveries averaging 76.7 % and 76.4 % for copper and silver respectively.

Under DRC mining regulations, a permit holder is responsible for damage caused to the environment by its activities only if it has not complied with required environmental plans or has broken environmental obligations set out in the mining regulations. AMC has an environmental impact assessment ("EIA") and environmental management plan ("EMP") in place for Dikulushi that was completed in April 2003 by African Mining Consultants of Kitwe, Zambia, an environmental company then licensed to work and report in the DRC, and which have been approved by the DRC Government. Annual reporting of environmental issues and measurements to relevant government bodies is a condition of the EMP and AMC's operating license. The EMP also includes commitments relating to mine decommissioning. AMC has also received approval for the Environmental Management Adjustment Plan ("EMAP") relating to the Dikulushi Cutback Project, with similar attaching obligations. AMC has lodged an environmental bond with the DRC Government in the amount of approximately US\$1.2 million as security towards an estimate of the total costs of closure, rehabilitation and re-vegetation of the Dikulushi mine.

Regular environmental reviews are carried out to determine the Dikulushi Mine's compliance with its EMP.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Dikulushi Mine is by a sealed road from Lubumbashi to Kasenga, then by boat along the Luapula River to Kilwa and then approximately 50 km by refurbished gravel road from Kilwa to Dikulushi. The total travelling distance is approximately 500 km. An all-weather airstrip is located at the Dikulushi Mine and charter flights from Lubumbashi can land directly at site. The closest international airport is at Lubumbashi, approximately 450 km to the south.

Supplies for the Dikulushi Mine are typically trucked on sealed roads from South Africa via Botswana to Nchelenge port on the Zambian side of Lake Mweru. Supplies are then transferred from Nchelenge to Kilwa on the DRC side of Lake Mweru on a 340t capacity barge owned by AMC. The water journey takes 5 hours. Access from Kilwa port to the mine is via the approximately 50 km gravel road and takes approximately 1 hour by light vehicle.

The average annual rainfall is 1,260 mm, with a range of 800 mm to 2,200 mm. An Oregon Scientific weather station was installed at Dikulushi in 2006. Weather data collected at Dikulushi over 3 full years from 2006 to 2008 shows an average annual rainfall of 1,127 mm. The wet season begins towards the end of October and finishes at the end of April, with 90% of the annual rainfall occurring during this period. The average annual minimum recorded temperature is 18°C and the average annual maximum temperature is 29°C. The wet season does have some effect on mining and processing operations at Dikulushi and also inhibits exploration activities, and access to some areas within the exploration permit areas is made difficult by flooded roads, rivers and areas of low terrain.

The development of the Dikulushi Mine has required development of seven major locations, all within the area covered by Exploitation Permit No. 606: (i) the treatment plant area, which includes the mine administration building; (ii) the mine services area, including workshops, fuel farm and powerhouse; (iii) the explosives storage area; (iv) the staff camp; (v) the airstrip; (vi) the process water dam; and (vii) the tailings storage facility.

The power station at Dikulushi Mine comprises the following generators: 1 x 2.0 MW Caterpillar, 1 x 1.6 MW Caterpillar, 4 x 0.8 MW Mirrlees for a total capacity of 6.8 MW. The current power demand is in the order of 1.8 MW and only the 2.0 MW Cat, 1.6 MW Cat and 2x Mirrlees are being utilised on rotation. This is sufficient to supply the extra demand of 0.6-1.0 Megawatts for dewatering purposes during the cut-back project.

Mine water is sourced from a raw water dam located adjacent to the tailings dam. Supernatant tailings water is reclaimed via penstock arrangements for use in the processing plant. Potable water is supplied from various bores on the property which are tested regularly.

The infrastructure on site includes administration offices, a warehouse, mining equipment and maintenance garages, mechanical workshops and a service area with access pit for inspection and repair of vehicles. There is an infirmary on site and a hospital at Kilwa, approximately 50 km from the mine. An assay laboratory has been constructed on site in order to facilitate metallurgical, exploration and grade control sampling. A staff camp has been constructed 1.8 km from the process plant. A mess hall, fully equipped kitchen, food storage and laundry facilities serve all employees. Recreational facilities are also available to employees.

Sufficient mobile equipment for the efficient running of the operation is in place, comprising light vehicles (including an ambulance), quad bikes, light trucks, forklifts, buses and generators.

Mobile phone coverage is possible through a dedicated mast located on top of the waste dump. There are satellite systems for data transmission and VOIP telephone coverage. There is a base station radio system, along with vehicle and hand-held radios.

Security is provided by a contractor. Appropriate secure facilities are provided for storage of fuel and explosives.

The Dikulushi and nearby deposits are located on a plateau approximately 1,000 metres above sea level. The area surrounding the Dikulushi site is almost entirely covered with woodland and forest, with some swamps or wetland areas. The plateau rises into the Kundelungu ranges 60 km to the west of Dikulushi and forms an escarpment 25 km to the east along the fault-bounded edge of Lake Mweru. A minor ephemeral stream is located near the Dikulushi mine site. The Luapula River is the main drainage into Lake Mweru and both form the international boundary between Zambia and the DRC.

History

The development of exploration and mining at Dikulushi and surrounding areas can be broken down into a historical period in which copper mineralisation was first reported in the early 20th Century by Simkat (Belgian Industrial and Mining Co. of Katanga) and other assessments were made in the 1950s and by the French Bureau de Recherches Géologiques et Minières ("BRGM") during the 1970s, and a current period in which exploration and mining has been conducted by Anvil and Mawson West since 1996.

The Dikulushi deposit was discovered by Simkat around 1910 but no records of work completed are available. In the period from 1910 to 1936, the deposit was investigated by Simkat and Société Minière du Lac Moero. BRGM then appraised the deposit from 1974 to 1981 and completed adit sampling, diamond drilling, metallurgical test work, soil geochemistry and geophysics. The project lay dormant until Anvil pegged the ground in the mid-1990s and subsequently sold AMC to Mawson West.

An open pit mine was commissioned at Dikulushi in October 2002 by Anvil, with ROM ore delivered to an on-site heavy media separation (“HMS”) concentrator at the rate of 250,000 tonnes per year. Copper-silver concentrate was subsequently transported by barge across nearby Lake Mweru into Zambia and then by road to smelters in South Africa and Namibia.

During the first 15 months of operation, the geology within the open pit was extensively mapped and, with results of the drilling, resulted in a re-interpretation of the mineralised envelope at Dikulushi.

The DevMin consulting group was approached by Anvil to undertake an open pit mine plan study to estimate the remaining open pit Mineral Reserves and prepare an open pit life-of-mine schedule for the Dikulushi Mine. This study was initiated in August 2003 when a preliminary pit optimisation was undertaken using Anvil’s current in-house resource model. The initial study was largely an update of previous work carried out by DevMin and showed that with current economic parameters, the feasible depth for open pit mining at Dikulushi could potentially extend down to 150 m below surface. An earlier work phase, carried out in 2002 prior to the mine being commissioned, had stopped the pit at 130 m depth with remaining mineralisation proposed to be exploited by an underground mine.

Further metallurgical work was carried out by Anvil in 2003, resulting in the installation of a ball mill and flotation plant in mid-2004 increasing the throughput to 350,000 tonnes per year. A second ball mill was installed in June 2005 with a further increase in throughput to 500,000 tonnes. This is the current capacity of the treatment plant and the mining fleet was increased to provide the appropriate plant feed tonnage.

With the completion of the planned open cut operations in 2006, the focus moved to developing an underground operation. The ROM stockpile at the end of 2006 was considerable and it was expected that this would see the mine through to the commencement of production from the underground in early 2008.

Anvil mined Dikulushi between 2002 and 2008. Production statistics are presented in the table below.

Historical Anvil Production for Dikulushi

Year	Tonnes processed	Grade Cu%	Grade Ag g/t	Average recovery (%)	Cu produced (tonnes)	Ag produced Mozs
2002 (HMS).....	36010	7.26	144	66.7	1340	0.08
2003 (HMS).....	273500	7.68	195	66.1	13613	1.16
2004 (HMS/Float) .	245000	6.39	177	69	10840	0.89
2005 (Float)	410000	5.07	149	86	16900	1.63
2006/07 (Float)	1059950	5.12	151	81	46507	4.45
2008 (No Dec)	471590	3.16	84	75	11177	0.97

Note: Figures rounded

Source: Table 6.3 from the Dikulushi Report

By the end of 2008, with global financial markets in turmoil and the subsequent decline in the copper price, the decision was made to place the Dikulushi mining on care and maintenance.

Mawson West acquired the Dikulushi Mine from Anvil in April 2010 and immediately started plant refurbishment, which was completed in July 2010. The plant started processing the low-grade stockpile which continued until February 2012.

Mawson West is undertaking exploration within a 20 km radius of Dikulushi, to assess mineral targets within trucking distance of the processing plant. This work has identified numerous target mineralisation opportunities.

Geological Setting

The Dikulushi Mine area is host to several copper-silver mineral occurrences and is located west of Lake Mweru, near the eastern margin of the Katanga sedimentary basin known as the Kundelungu Plateau. Mineralisation occurred with sedimentation and deformation during the Lufilian Orogeny (560Ma) which has upgraded copper and silver over millions of years through chemical reworking and circulating groundwaters.

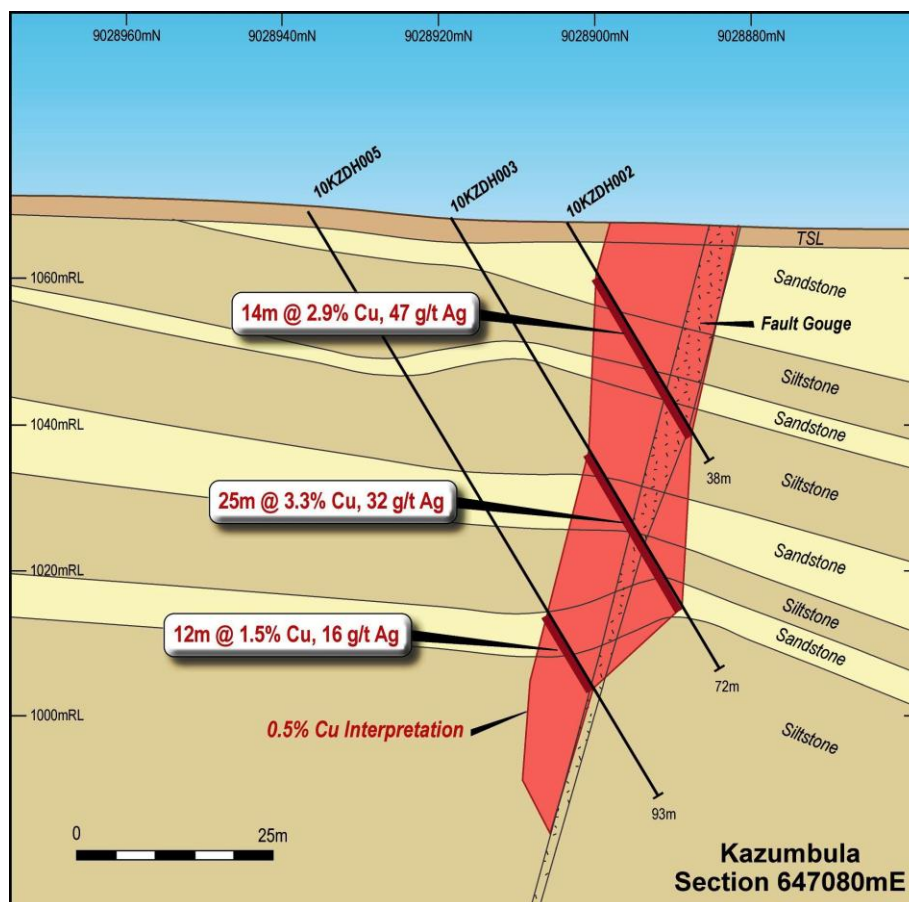
Copper and silver mineralisation across the Dikulushi Mine area are hosted by a large fault system which cross cuts the Kalule Formation and tends to be better developed at intersections with red sandstones and shales of the Mongwe Sandstone member.

The Dikulushi mineralisation is principally fault-hosted with massive to semi-massive copper sulfides with stockwork and disseminated mineralisation in the wallrocks. Mineralisation trends east-northeast and breaches the northeastern nose of a north-northeast-trending elongate plunging antiform. The mineralisation is suborthogonal to stratigraphy. Prior to mining, Dikulushi was approximately 400 m long, 10 m wide and extended to a depth of at least 450 metres below surface. The satellite deposits to Dikulushi are more stratabound disseminated mineralisation having variable degrees of structural control. These deposits are hosted by siltstones and intercalated sandstones and conglomerate. Copper and silver is concentrated where faults intersect the favourable strata.

Exploration

The Dikulushi area is at an advanced stage of exploration, with a 150 m deep open pit and several kilometres of underground development located below the pit. At Dikulushi and the satellite deposits drilling grids are close-spaced, ranging from 20 m to 75 m centres. There is sufficient evidence from drilling and mining data to support a high degree of confidence in both the geological and grade continuity of these deposits.

A typical vertical cross section through the Kazumbula deposit, highlighting key geology associated with mineralisation



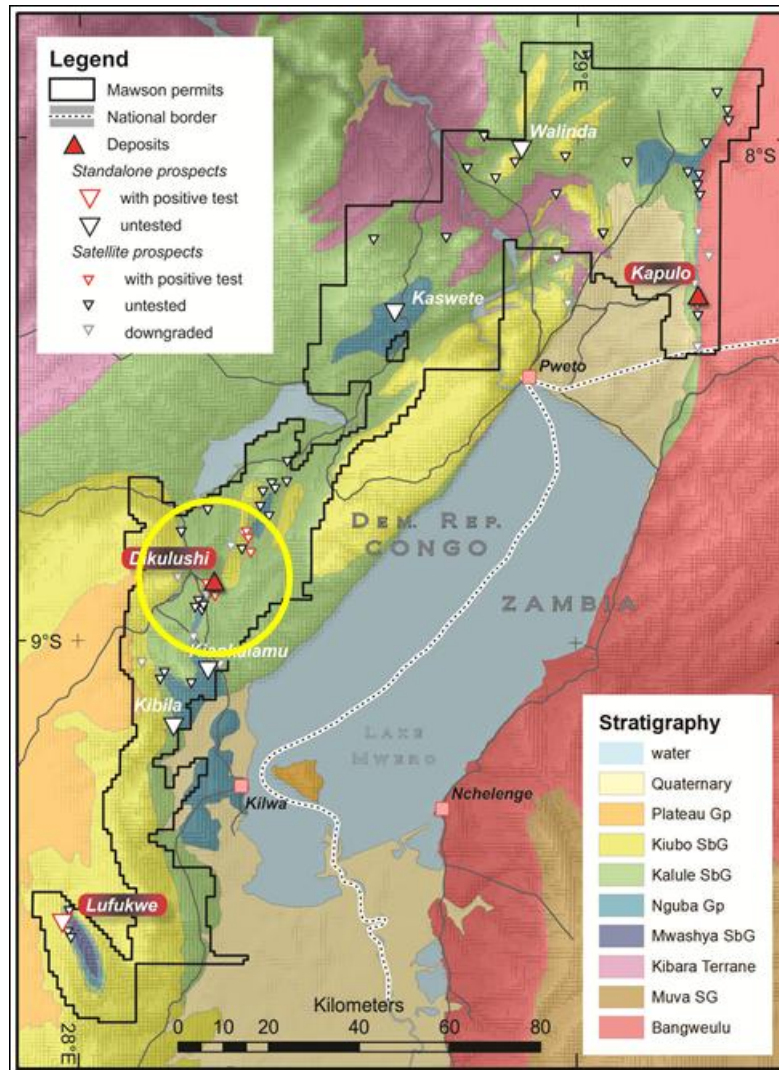
Source: Figure 7.4 from the Dikulushi Report.

Dikulushi is one of three major deposit areas (Dikulushi Mine, Kapulo and Lufukwe) known along a 175 km strike length of prospective stratigraphy exposed along the eastern margin of the Katanga Basin. These exposures are covered by Mawson West's contiguous group of 18 exploration permits and two mining permits administered under the Dikulushi Mining Convention. New targets typically correspond to surface geochemical anomalies that coincide with favourable units within this stratigraphic package. The superior geochemical anomalies are refined with detailed surface chemistry or ground geophysics, and are then tested by drilling. Historical soil and termite

mound sampling covers considerable areas within the near-mine environment. Mawson West is expanding and infilling these geochemical surveys to cover previously untested belts of prospective strata.

The Company's exploration program was slowed during 2012 to remain in line with the projected cash flows from the Dikulushi Cutback Project. Work in the Dikulushi district has focused on Dikulushi and the satellite mineralisation.

Dikulushi District Map



Note: Map of the Dikulushi district showing distribution and status of prospects, and the extent of surface geochemical surveys. Prospects shown as “scheduled” are expected to be drilled or have geophysical surveys completed during the next two field seasons. The yellow circle indicates a 20 km radius around the Dikulushi plant.

Mineralisation

The copper-silver mineralisation at Dikulushi is hosted by Neoproterozoic rocks of the Katanga Basin, which further south host the Central African Copperbelt; the largest and highest-grade sediment-hosted copper province on earth. Discordant, high grade copper deposits such as Dikulushi formed in association with shallow brittle faulting that occurred later in the sedimentary history of the basin. Gangue minerals typically associated with the mineralisation at Dikulushi are quartz, illite and barite.

Dikulushi mineralisation is characterised by a hydrothermal vein system hosted by the Nguba Group. The deposit has two distinct ore zones; a dominant “Footwall” zone is intersected over a 230 m length, decreasing with increasing depth, at thicknesses of up to 25 m. This zone comprises semi-massive chalcocite and/or bornite veins, strikes east-northeast and dips southeast at approximately 65°. It exhibits good strike continuity, and has so far been traced to depths of approximately 500 m below surface, and remains open. A secondary “Hanging Wall” zone is observed over 50 m widths, and comprises discontinuous, steeply dipping, chalcocite veins, veinlets and

disseminations. These dip at varying angles to the Footwall zone and may occasionally intersect it. Apart from minor other occurrences, this lode is largely absent below the base of the open pit.

The Boomgate deposit, located <1 km south of Dikulushi, comprises disseminated and nodular chalcocite-rich mineralization that is largely restricted to a favourable laminated sandstone unit that dips steeply to the east. The Mineral Resource defined by Mawson West drilling is 200 m long, 10 m wide and is known to extend to 200 m below surface and is open at depth in the central zone.

The Kazumbula deposit, 14 km's north northeast of Dikulushi, includes fault-hosted, veinlet, and coarse disseminated stratabound bornite and chalcopyrite mineralisation. The deposit is restricted to a shallowly dipping favorable sandstone unit, and is focused around a controlling subvertical fault. The Mineral Resource has defined an approximately 180 m long, 12 m wide zone of mineralisation that extends to a depth of approximately 160 m below surface. The deposit is open in the east at depth.

The Golfcourse prospect, 1 km west of Dikulushi, consists of disseminated chalcopyrite-rich mineralisation that occurs in a favorable pebbly sandstone unit that strikes east-west and dips 25 degrees to the north. The mineralisation is currently 260 m long, 10 m wide and is known to extend to 60 m below surface. The prospect is open to both the east and west although mineralisation appears to be weakening in both directions.

Drilling

All drilling data prior to 2010 was acquired by Mawson West from Anvil. Historical drilling may be summarised in the table below:

Historical Drilling Summary for the Dikulushi Mine

<u>Company</u>	<u>Period</u>	<u>Type</u>	<u>No. Holes</u>	<u>Metres</u>	<u>Sequence</u>
BRGM	1974-1981	DDH	48	5226	DIK1-47
	1997	DDH	18	2115	DDH1-14, DR15, 19, 20, 38
		RC	26	2305	DRC15-40
	2000	RC	22	786	DRC043-064
	2003	DDH	4	885	DDH16-19
		RC	21	1768	DRC065-085
	2004	RC/DDH	14	414/3811	DDH020-035 (no 032)
Anvil	2005-2006	DDH	14	5779	DDD38-052
	2007	DDH	9	2061	DDD053-061
			78	4130.9	UGD001 to UGD97
	2008	DDH	2	1251	SUR001&005

Source: Table 10.1 from the Dikulushi Report.

2008 drilling targeted mineralisation below the 630 mRL in order to assist with planned underground development. Both holes intersected mineralisation but were not sampled due to the mine being placed into care and maintenance. These have been recently sampled by Mawson West with significant intercepts, including 22 m @ 12% Cu and 324 g/t Ag demonstrating mineralisation below 580 mRL.

Since 2008, Mawson West has completed the following drilling programs across the Dikulushi Mine area:

- October 2010 – Low grade stockpile - RC drilling (6 inch bit) – 25 holes totalling 192 m
- August 2010 to September 2010 - Kazumbula - 17 RC and 10 diamond holes/tails totalling 2350 m
- During 2012 - Extensional drilling at Kazumbula – 3 RC and 3 diamond holes/tails totalling 1077 m
- April to September 2011 – Boomgate - 25 RC and 30 diamond holes totalling 3363 m
- During 2012 – Extensional drilling at Boomgate – 6 RC holes totalling 300m
- Extensional drilling continues at Kabusanje with a maiden Mineral Resource anticipated in mid-2013.
- Other areas at Dikulushi mine - Golf Course 54 RC and 15 diamond holes/tails totalling 3506m.
- During 2012 - Lufukwe 8 diamond holes/tails totalling 985m plus 364m of trenching
- During 2012 Mawson West completed some geotechnical drilling for pit cutback and underground development studies, but this has not been sampled.

Holes were planned and drilled to intersect the mineralisation normally, and thus significant true width conversions were not required.

Collar surveys of completed drillholes were collected using a Leica total station by the mine surveyor. Collar surveys were stored with both local mine grid and UTM coordinates. Downhole surveys, for holes with depths greater than 100 m, were completed every 30 m of advance in order to ensure each hole was not deviating excessively from the planned dip and azimuth. The surveys were measured using an Eastman downhole

electronic single-shot camera which records the dip and azimuth. Results were checked by the site geologists for accuracy and any anomalous deviations from plan. No magnetic minerals have been noted during geology logging of chips and core and therefore recorded azimuths were believed to be accurate.

Sampling and Analysis

All the drilling data used in the Dikulushi Mineral Resource estimate was collected by Anvil. A review of Anvil's procedures by Mawson West personnel concluded that they were of an acceptable industry standard.

The sampling procedures described below have been used for all diamond core drilled at the Dikulushi Mine deposits. All sampling and logging data is stored in secure database systems and has been subject to routine validations during capture and storing. Mawson West's drill core sampling follows standard best practice.

Quality diamond core sampling has been assured from the time of coring, with core lengths and drilling lengths recorded for the purposes of assessing core recovery. Core recovery was good at above 95%. Core was labelled on site, packed into core trays and transported to the central core yard facility at Dikulushi. Core was washed to remove residual cuttings and contaminants and photographed. Drill core logging included core recovery, rock quality description (RQD), geology, alteration and mineralisation. Drill core was split in half with a diamond saw, minimising contamination risk with frequent cleaning. The same side of half core was sampled at one metre intervals. Samples were placed in calico bags and then into larger plastic bags together with sample labels for transportation to the laboratory.

RC sample cuttings were routinely collected at mostly one metre and occasionally two metre intervals with a cyclone into a green UV degradable plastic bag. The sample cuttings were split using a Jones riffle three tier splitter which splits 12.5% to a calico bag and 87.5% to a green bag. The bags of cuttings were routinely weighed prior to splitting to ensure acceptable recoveries. The calico bag samples were also weighed and limited to ten samples per labelled polywoven bag, which were sealed with a cable tie for transportation back to the core yard and stored in a dry area until delivered to the laboratory. A representative selection of the drill chips were washed using a sieve in water, and a sample of each metre placed into a chip tray numbered by hole and from and to depths. The geologist logs the chips for geology, alteration, oxidation and mineralogy.

Sampling and logging data has recently benefited from direct electronic capture and storage into the site Access database reducing data handling errors. Data was then uploaded into the Perth Datashed database by the Mawson West Database Administrator for validation and secure storage.

RC chip and diamond drilled core recovery are of good quality with no major risks identified for use in Mineral Resource estimation. Comparison of sample assay results between drilling methods, by using quantile-quantile plots has highlighted similar results, with exception of the underground sludge hole drilling, which was not included in the Mineral Resource estimate for the Dikulushi deposit.

Preparation and assaying of samples from the Dikulushi Mine has been carried out at three independent laboratories: (i) Genalysis (RSA) and Genalysis (Western Australia); (ii) ALS-Chemex (RSA) (from Jan 2008); and (iii) SGS (Dikulushi).

Samples sent to Genalysis Johannesburg, South Africa were processed and analysed using the following methods. All samples were weighed, then dried at 110°C for 8 hours and then crushed to a nominal 10 mm crush size in a conventional jaw crusher. The entire sample was then pulverised to a nominal 85% passing 75µm in an LM-5 mixer-mill. A scoop of the pulverised sample was then digested by the AX method which was a modified (higher precision) 4 acid digest for base metals. Analysis technique was by AAS for Copper (0.01% detection limit) and Inductively Coupled Plasma Mass Spectrometry (ICP-MS) for Ag (1ppm detection limit), As (10ppm detection limit), Co (1ppm detection limit) and U (0.1ppm detection limit). The sample batches included regular inserts of standards, blanks, repeats and duplicates.

Samples sent to ALS Chemex in Johannesburg, South Africa, were prepared and analysed by the following procedures. Samples were weighed and then dried for 8 hrs at 110°C and then fine crushed to 2 mm with a 250 g split of the sample taken for pulverising to 85% passing -75µm. The sample is then digested in a four acid mixture (HF, HNO₃, HClO₄) and a HCL leach with analysis by AAS (method AA62) for Copper (0.01 to 40% reporting range). Other elements were analysed by the ICP-AES (optical emission method) with detection limits of Ag (0.5ppm), As (5ppm), Co (1ppm), U (10ppm) and Co (1ppm). The sample batches included regular inserts of standards, blanks, repeats and duplicates.

Samples sent to the SGS laboratory at Dikulushi were prepared and analysed by the following procedures. Received samples were sorted and dried at 105 °C for a minimum of 8 hours and then crushed to a nominal 10 mm crush size using a jaw crusher. Samples were split to 250g and then pulverised to 90% passing -75µm. The sample was then digested in triple acid digest (A103 method; 0.4g, Hydrochloric acid, Nitric acid and Perchloric acid) and finally analysed by AAS machine with low detection limit (DL) for Copper of 0.001% and an upper detection limit (UL) of 5%, Silver DL was 5ppm and UL was 500ppm, Cobalt DL was 20ppm and UL was 5%,

Lead DL was 10ppm and UL 2.5%, Aic DL was 0.01% and UL was 5%, Zinc DL was 10ppm and UL was 5%, Fe DL was 0.01% and UL was 100%. The sample batches included regular inserts of standards, blanks, repeats and duplicates.

Specific gravity samples were collected every metre from the massive sulfide zones and from a representative selection from the transitional and primary zones and un-mineralised zones. Diamond core samples were prepared by 'squaring off' the ends of approximately 10-20 cm billets of half core. The same piece of core was then measured in water on a suspension cage below the same electronic scale. The conventional formula for SG determination was used (i.e. $SG = \frac{\text{Dry Sample Weight}}{(\text{Dry Sample Weight} - \text{Wet Sample Weight})}$). Mawson West geologists routinely select one sample per tray of diamond core for SG measurement using the same procedure described above. The one sample per tray means the waste SG is also accurate.

Sampling of drillhole material is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. Sampling and sub-sampling procedures are of good standard industry practice and have occurred in a safe and secure manner, with minimal time lags between drillhole sampling and analysis. Sufficient drillhole material has been retained should additional verification of results be required. Sample security, preparation and analytical procedures are believed appropriate to support representative sample assay results for use in Mineral Resource estimation.

QAQC for exploration drilling samples includes standard, blank and duplicate inserts, together with the internal/laboratory batch control information. Analytical results from sample blanks suggest that contamination was kept to a minimum. Both blank and standard sample results indicate accurate sample assay values with some minor sample mislabelling. Duplicate samples identify that precision was adequately controlled. Failed batches are automatically repeated until acceptable results are achieved.

The comprehensive program of multiple standard and blank inserts at regular intervals has highlighted that the Dikulushi, Boomgate, Kazumbula, Golfcourse sample assay values are both accurate and precise with negligible contamination. Repeat or duplicate analysis for RC samples reveals that precision of samples is within acceptable limits. The Mawson West RC field duplicates had 90% of its pairs with differences (half absolute relative differences or HARD values) below 20%, which concurs with the results from Anvil. In addition, the accredited and independent laboratories have evidence of good internal QAQC practices. These results combined with the good spatial distribution of QAQC sampling, support accurate, precise and un-contaminated sample assay results. Representative sample assay results together with the number of samples available provide satisfactory sample support and quality for Mineral Resource estimation of in-situ mineralisation at Dikulushi, Boomgate, Kazumbula, Golfcourse.

Security of Samples

Samples across the Dikulushi Mine deposits were all prepared by the respective independent laboratories. No sample preparation other than diamond core cutting was carried out by Mawson West employees.

Mawson West has ensured close scrutiny of sample submission procedures by their technical staff, which combined with the rapid submission of samples for analysis, allowed minimal opportunity for sample tampering. Standard QAQC practices, including securely sealed sample bags, have also ensured representative quality sample results.

Reference materials, including chips, core, pulps and residues are retained and stored at the Dikulushi Mine site. Assessment of the data indicates that the assay results are generally consistent with the logged alteration and mineralisation tenor.

Mineral Resource and Mineral Reserve Estimates

The current Mineral Resource of the Dikulushi deposit was estimated for copper (%) and silver (g/t) using a mineralisation based interpretation of copper. Mineralisation appears to be open at depth, but is restricted to the east by the Kiaka carbonates and is observed to pinch out to the west. A block model estimate was completed in May 2009 by David Gray, Qualified Person, of Optiro and was depleted according to updated surveyed volumes of historical mining and the open pit cutback position as at 31 December 2012. There has been no additional drilling at Dikulushi to warrant an update to the May 2009 Mineral Resource estimate. Wireframes were created for the domains and defined zones of similar weathering, faulting, stratigraphy and copper grade. Sample copper (%) and silver (g/t) analytical values were composited to one metre interval lengths per domain. Variography displayed reasonable continuity with low nugget values. Copper and silver grades were kriged into a block model using ordinary kriging. Estimated block model grades were validated against input data by visual means, domain statistics and validation slices. The estimate was representative of all data acquired. Mineral Resources have been classified into Measured, Indicated and Inferred categories for the sulphide mineralisation. The resulting Mineral Resources are stated using a 1.0% copper cut-off grade as at 31 December 2012, are inclusive of Mineral Reserves and are presented in the Table below.

Dikulushi Mineral Resource statement depleted of all mining as at 31 December 2012 using a cutoff grade of 1% Cu

Classification	Tonnes	Cu-Grade	In-situ Cu Metal	Ag-Grade	In-situ Ag Metal
	(kt)	(%)	(kt)	(g/t)	(Moz)
Measured Mineral Resources	457	7.18	32.8	219	3.2
Indicated Mineral Resources	216	5.92	12.8	122	0.8
Total Measured and Indicated Mineral Resources	673	6.78	45.6	188	4.1
Inferred Mineral Resources	372	6.82	25.4	157	1.9

Note: Figures are rounded. Measured and Indicated Mineral Resources are inclusive of Mineral Reserves.

The Mineral Reserves for the Dikulushi Cutback Project was estimated by Optiro, with Andrew Law of Optiro acting as the Qualified Person for the calculations. Mineral Reserves are for the Dikulushi Cutback Project and were determined for the open cut portion of the Dikulushi Mineral Resources only. No Mineral Reserves have been determined for the underground portion of Dikulushi or any of the Dikulushi Mine satellite deposits. Mineral Reserves for the Dikulushi Open pit cutback are summarised in the table below.

Dikulushi Mineral Reserve statement¹ for the Open Pit as at 31 December 2012 using a cutoff grade of 1.0% Cu (Based on \$3.50/lb Cu & \$30/oz Ag and depleted of historical underground mining)

Classification	Tonnes	Cu-Grade	In-situ Cu Metal	Ag-Grade	In-situ Ag Metal
	(kt)	(%)	(kt)	(g/t)	(Moz)
Proved Mineral Reserves	108	8.56	9.3	260	0.9
Probable Mineral Reserves	330	5.69	18.8	179	1.9
Total Proved and Probable Mineral Reserves	438	6.39	28.0	199	2.8

Note: Figures are rounded. Mineral Reserves are reported with 5% ore loss and 15% dilution which was assigned a 0.5 % Cu and 20 g/t Ag grade, assuming \$3.50/lb Cu and \$30/oz Ag.

¹ Depleted against the original feasibility study pit design as reflected in the Dikulushi Open Pit Report.

At Kazumbula, Mawson West has further developed confidence in mineralisation extents through additional drilling and geological modelling. An additional 2350 m of RC and diamond drilling was completed in 2010, with additional infill and extensional drilling continuing since 2012. Results from this drilling are imminent and will initiate an update to the Kazumbula Mineral Resource during 2013. Only drilling data generated by Mawson West was used in the Kazumbula Mineral Resource estimate. A litho-structural and grade based interpretation was completed by Adam Anderson, who was General Manager (Resource Development) of the Company and the Qualified Person at that time. Copper (%) and silver (g/t) grades were kriged into the block model using ordinary kriging. Estimated block grades were validated against the input data using visual techniques and domain statistics. The estimate was representative of all data acquired. The Mineral Resources for Kazumbula are shown in the table below.

Kazumbula Mineral Resource statement as at November 2010 using an effective cutoff grade of 0.5% Cu

Classification	Tonnes	Cu-Grade	In-situ Cu Metal	Ag-Grade	In-situ Ag Metal
	(kt)	(%)	(kt)	(g/t)	(Moz)
Indicated Oxide Mineral Resources	159	1.75	2.8	14.7	0.1
Probable Mineral Reserves	160	1.89	3.0	22.9	0.1
Total Proved and Probable Mineral Reserves	318	1.82	5.8	18.8	0.2

Note: Figures are rounded.

Mining Operations

Mining Method and Process

Following the positive feasibility study results on the Dikulushi Cutback Project, the Company commenced work on the cutback operations. The Dikulushi Cutback Project involves a conventional open pit, selective mining exploitation method, employing a mining contractor, using drilling, blasting, 80 tonne to 190 tonne back hoe excavators, articulated haul trucks with a payload capacity of between 40 tonne to 50 tonne, and rigid haul trucks with a payload of 90 tonne.

The process plant has the following stages: crushing, grinding, flotation, thickening, filtration, and tailings storage. The crushing plant consists of 3 stages: primary jaw crushing, followed by 2 stages of cone crushing in a closed circuit with a double deck vibrating screen, producing a minus 20 mm product for the grinding circuit feed. The grinding circuit consists of two overflow ball mills in parallel configuration in closed circuit with a 250 mm hydrocyclone. Each ball mill is powered by a 750 kW motor. The grind sizing parameter is 70% passing 106 microns. The mill is capable of treating 500,000 tonnes of ore per annum.

Markets and Contracts for Sale

AMC currently has contracted with Transamine Trading S.A to purchase at least 60% of the copper concentrate produced from the Dikulushi Cutback Project. It is intended that copper concentrate produced from AMC operations will be sold either directly to smelters or to metal trading companies on competitive commercial terms.

Development

The Company believes that potential exists to increase the life of the Dikulushi Mine as further work continues on the surrounding satellite deposits and the Dikulushi underground. This work aims to increase Mineral Resources and Mineral Reserves.

THE KAPULO PROJECT

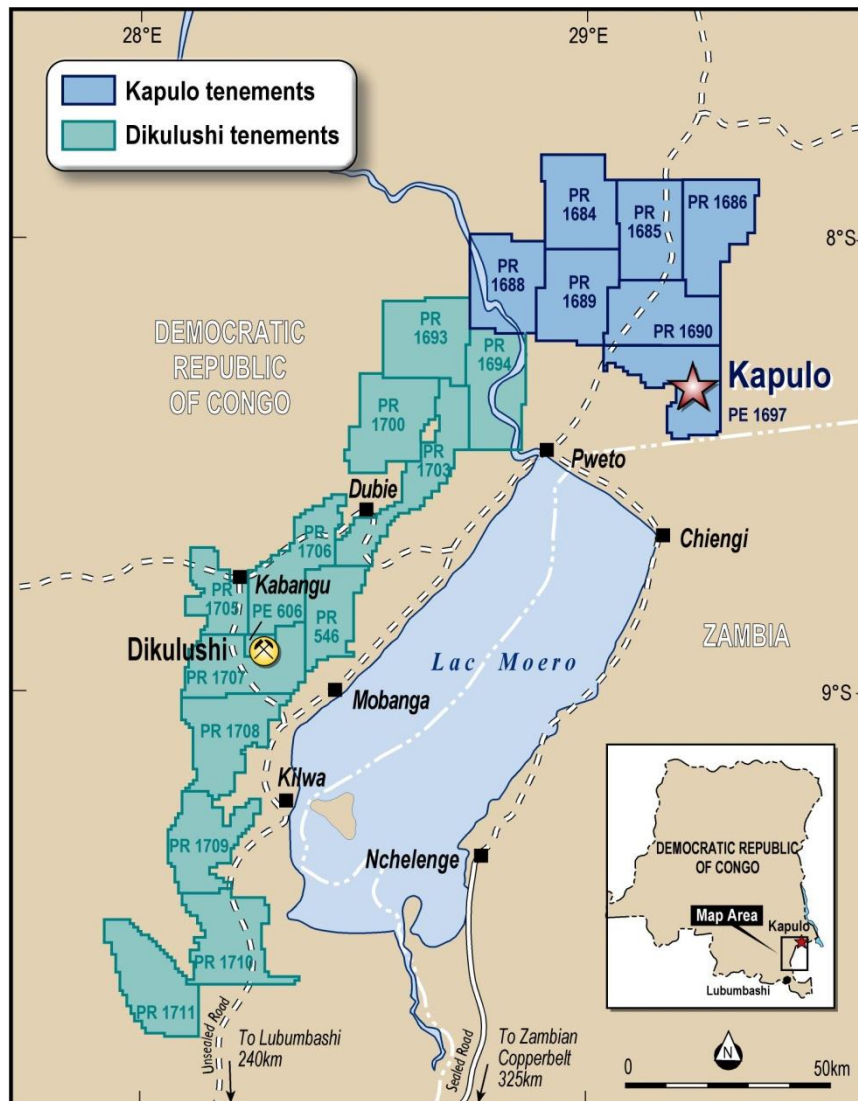
Project Description and Location

The Kapulo Project is located approximately 15 km from the Zambian border in Katanga Province in the south eastern corner of the DRC at latitude 08°18'09 South and longitude 29°14'03 East, approximately 124 km northeast of Dikulushi and 45 km east-northeast of Pweto, a small town at the northern edge of Lake Mweru.

The Kapulo Project is governed by the Dikulushi Mining Convention and is owned and operated by AMC.

The mineral rights of the Kapulo Project comprise seven (7) of the twenty (20) permits held by AMC under the Dikulushi Mining Convention, which cover an area of approximately 7,300 km². The exploitation permit for the Kapulo Project (Exploitation Permit 1697) was granted by the DRC Government on January 27, 2012. Exploitation Permit No. 1697 is valid until January 26, 2042, and is renewable thereafter for periods of 10 years, subject to compliance with its terms and applicable legislation. There are no competing mining rights (for example, small artisanal mining licenses) in the project area.

Location of the Kapulo Project
and Exploration/Exploitation Permits



The Kapulo Project consists of three deposits, being Shaba, Safari North and Safari South, all contained within the area covered by Exploitation Permit No. 1697.

AMC has an environmental impact assessment (“EIA”) and environmental management plan (“EMP”) in place for the Kapulo Project. Annual reporting of environmental issues and measurements to relevant government bodies is a condition of the EMP and AMC’s operating license. The EMP also includes commitments relating to mine decommissioning.

Following positive feasibility study results in relation to its Shaba deposit, early construction at the Kapulo Project commenced in 2011. During 2012 the schedule was slowed to remain in-line with projected cash flows from the Dikulushi Cutback Project. Site works are now complete and civil works are well advanced from the crusher to the grinding circuit.

The Kapulo Project involves the development of an open cut mine. Proven and probable Mineral Reserves at Kapulo are 3.6 million tonnes at 3.6% copper and 8.3 grams per tonne silver (Shaba open cut only). According to the definitive feasibility study relating to the Kapulo Project, the average annual production from current Mineral Reserves was expected to be around 15,800 tonnes copper and 78,000 ounces silver in concentrate, with a life of mine of over 7.5 years, utilising a plant with a 0.5 million sulfide ore tonnes per annum capacity.

The Kapulo Project feasibility study was based on a conventional open pit, selective mining techniques and utilisation of a mining contractor for the mining works.

The plant is now being designed and built with a processing capacity of 0.444 million tonnes per annum of oxide material or 0.6 million tonnes per annum of sulfide material based on conventional comminution, flotation and filtration processes using a primary jaw crusher and secondary cone crusher, ball milling and conventional flotation to produce a copper concentrate. It is anticipated that approximately 8% of feed will be oxide ore with copper recoveries of 72% with the remaining 92% of ore being sulfide achieving copper recoveries in the order of 93%. Commensurate with the higher processing rate (0.6 million tonnes per annum), annual copper production is expected to be in the order of 19,500 tonnes with a mine life of 6 years.

The Company is also in the advanced stage of a design review and costing study of the Kapulo copper project, with the aim of optimising the process flow sheet and capital costs. The total project costs were previously estimated at US\$105 million. In addition, the Company has commenced a review of the mine design, cutback design and mine scheduling to include the Safari deposits in the mine plan.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Kapulo Project is from the Zambian side of Lake Mweru. There are sealed roads all the way through Zambia to Nchelenge (on Lake Mweru), followed by 135 km of unsealed road from Nchelenge to Pweto and a further 50 km from Pweto to Kapulo.

Supplies for the Kapulo Project are being trucked on sealed roads from South Africa via Botswana to Nchelenge and then on to Kapulo via Pweto.

The closest international airport is in Lubumbashi, approximately 530km to the south. An airstrip is located at Pweto, approximately 53 km from the Kapulo Project.

The climate of the area is similar to that of Dikulushi, being tropical with a distinct wet and dry season. The wet season does inhibit exploration activities and access to some areas within the Kapulo Project, with flooded roads and rivers and terrain becoming difficult for vehicular access.

The only infrastructure existing at the Kapulo Project is the road from Pweto. The Company is currently upgrading the road access from Pweto to the Kapulo Project to an all-weather road.

The Kapulo Project is located in a remote area where there is no electrical utility grid. Power is supplied by diesel generators, with sufficient design back-up capacity.

Water is available at the Kapulo Project from a nearby minor stream and artesian bores. Mine water at the Kapulo Project could be sourced from a raw water dam, and tailings water could be reclaimed via penstock arrangements for use in a processing plant. Potable water will be supplied from various bores on the property.

Labour is sourced locally for various types of work required at the operation.

The western part of the greater Kapulo area is characterised by a large 20 km to 30 km wide floodplain, which represents the northern extension of the Lake Mweru depression at approximately 1,000 m above sea level. The plain is bordered to the west by the Kundelungu plateaux and to the east by the Marungu Plateaux. The contact between the plain and the Marungu Plateaux is characterised by a north-south escarpment of 650 m height. The neighbouring area is almost entirely covered with natural woodland and forest, interrupted in the low areas by fields of cassava and by localised clearing. The Kapulo Project is in the western foothills of the Bangulian Granite complex. The Kapulo Project copper deposits outcrop in the steep north-south valley which forms the contact with

the lower Makana and Kapona hills and the Marungu Plateaux. The valley has an average elevation of 1,200 m above sea level. Few rivers drain into Lake Mweru from the DRC. A minor ephemeral stream runs nearby the Kapulo site. Lake Mweru is fed by the Luapula River, which along with Lake Mweru forms the international boundary between Zambia and the DRC.

History

The development of exploration and mining at the Kapulo Project and surrounding area can be broken down into a historical period of Belgian exploration from 1910 to 1954 and exploration by Falconbridge Exploration Limited ("**Falconbridge**") from 1970 to 1974, and a current period in which exploration has been conducted by Mawson West since 2006. No historic production has been recorded from the Kapulo Project.

The Safari and Shaba deposits were discovered by Tanganyika Concession Ltd. in 1906, transferred to BAKAT (Société des Recherches Minières Bas-Katanga) in 1911 and then taken over by SIMKAT (Société Industrielle et Minière du Katanga) in 1915. Work was subsequently completed by SERMIKAT (Société d'Exploration et de Recherches Minières au Katanga) in the 1950's. This historical work included adit sampling and metallurgical testwork.

In 1970, Falconbridge obtained an interest in the property and completed adit sampling, diamond drilling, metallurgical testwork, soil geochemistry and geophysics.

The Kapulo Project subsequently lay dormant until Anvil acquired the Kapulo Project exploration permits in 1998. Anvil only completed reconnaissance type work due to civil war and unrest in the area until 2002. After 2002, Anvil concentrated on the successful development of the Dikulushi Mine.

In 2006, Mawson West entered into a farm-in agreement with Anvil on the Kapulo Project which gave Mawson West the right to earn a 65% interest in the Kapulo Project by spending US\$4 million on exploration of the project. By October 2008, Mawson West had completed its required expenditures, earned its 65% interest in the Kapulo Project and was reviewing options for the development of the project. In April 2010, Mawson West acquired all of Anvil's interest in AMC, which resulted in Mawson West increasing its interest in the Kapulo Project to 90%.

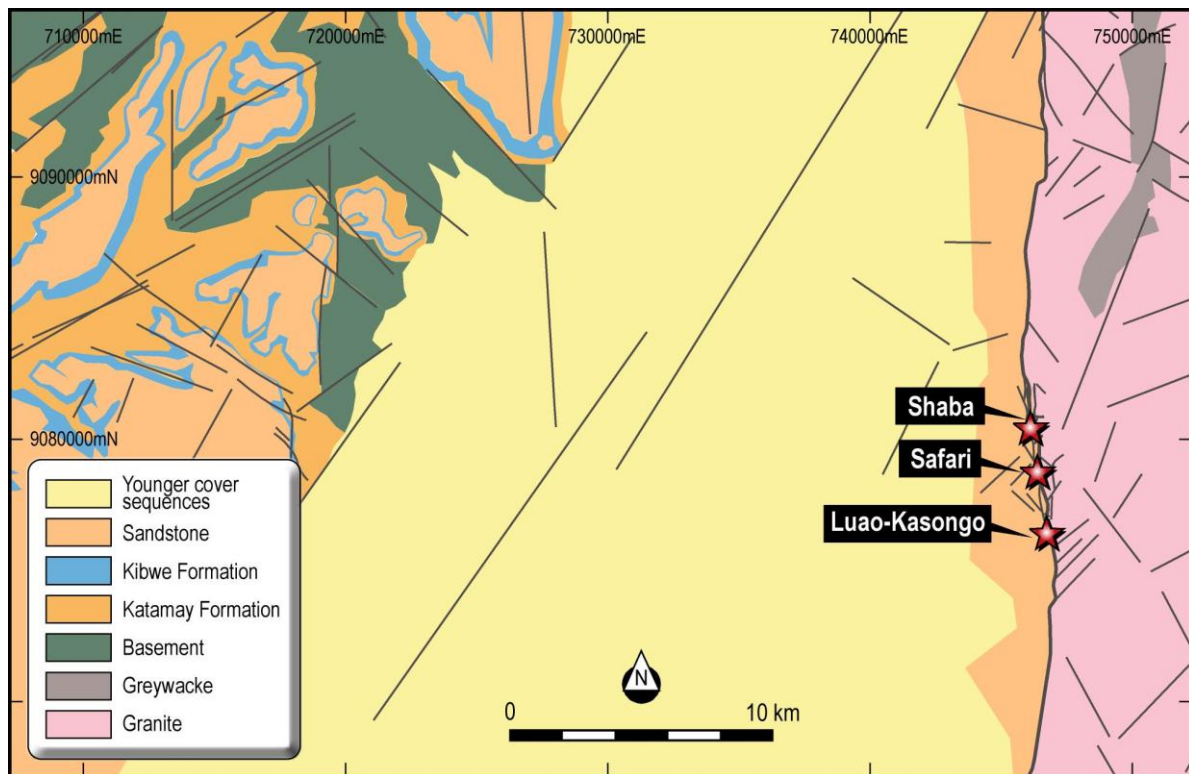
Since 2006, Mawson West has completed the following work on the project:

- Geological mapping and reconnaissance sampling of ~750 km² (~30% of the district) in order to ground truth areas to provide information on the style, geological setting and scale of mineralisation;
- A low-level airborne geophysical (magnetics-radiometrics) survey covering ~1300 km² (~50% of the district);
- A total of 279 drillholes for a total of 26,725 m of drilling at the Kapulo Project and in the surrounding district. Approximately 84% of the drilling metres relate directly to the Kapulo Project;
- Major soil geochemical sampling programs amounting to 14,600 samples covering much of the strike extent of the Kapulo Fault as well as several regional prospects;
- CSAMT (Controlled Source Audio-Frequency Magnetotelluric) ground electrical geophysics surveys at selected locations along the Kapulo Fault north and south of the known deposits; and
- Early construction at the Kapulo Project commenced in 2011, however the schedule was slowed to remain in-line with projected cash flows from the Dikulushi Cutback Project. Site works are now complete and civil works are well advanced from the crusher to the grinding circuit.

Geological Setting

The Kapulo Project contains an area of gently folded Katangan Supergroup (~0.6 Ga) continental siliciclastic sedimentary rocks juxtaposed against a major granitoid batholith. The sedimentary and metamorphic rocks are bound to the east by the Kapulo fault, east of which a syenogranite belonging to the ~1.8 Ga Bangweulu basement terrane dominates the geology. The Kapulo fault is inferred to be the surface manifestation of a major basement terrane boundary at depth, and may have served as a growth fault to the Katanga Basin. In the project area, this fault strikes broadly N-S and dips to the west at 60°. It is considered to have had a multiple re-use history interpreted to have included reverse strike-slip movement during mineralisation. Most recently the Kapulo fault has been locally reactivated by extensional faulting such as that which controls the eastern side of Lake Mweru. There are three main copper deposits known along the fault to date: Shaba, Safari North and Safari South. All are hosted in the basal Katanga Supergroup, between strands of the Kapulo fault, with sedimentary rocks forming the hangingwall and granite in the footwall.

Regional Geology of the Kapulo Project



Source: Figure 7.1_1 from the Kapulo Report.

The Kapulo Project copper deposits are interpreted to be hypogene, fault modified stratiform deposits, with disseminated chalcopyrite-bornite mineralisation in the sulfide zone characterised by replacement and microfracture-hosted textures. Massive to nodular cuprite and fracture-controlled to nodular azurite and malachite replace the sulfide minerals near surface. The mineralisation is litho-structurally controlled, and the basal carbonaceous sedimentary unit that hosts the copper deposits is considered to be a key trap site for hydrothermal copper - silver mineralisation.

Mineralisation at Shaba is hosted in coarse grained lithic sandstones and brecciated granite in the footwall part of the deposit. The orebody is bound abruptly in the hanging wall by narrow black shale associated with the main strand of the Kapulo Fault. These sediments may correlate with the Mwashya Subgroup, and the hangingwall with the lower Nguba Group.

At Shaba, the copper mineralisation is controlled by a north-northwest trending section of the Kapulo fault that dips 55° to the west and separates the black shale in the immediate non-mineralised hangingwall from a voluminous light grey-brown sandstone unit. The shale is interpreted to have acted as an aquitard during mineralisation as no copper has been observed in the hangingwall sandstone or granite. At shallow levels, copper occurs as a band of cuprite in contact with the black shale with a broad zone of supergene malachite and azurite in greywacke beneath this. At depth copper occurs as disseminated, veinlet and semi-massive chalcopyrite (and minor chalcocite) with increasing bornite (and silver) in the core of the deposit. The footwall granitoid at Shaba is locally mineralised as monomictic sulfide-cemented breccias that are generally contiguous with mineralised sedimentary rocks. A fine grained mafic alkali intrusive also occurs as part of the basement terrane at Shaba, and is mineralised where it occurs adjacent to mineralised sedimentary rocks.

At Safari (North and South), the copper deposits are hosted in a similar structural position to Shaba with respect to the Kapulo fault. Coarse grained sandstones and shale likewise comprise the hanging wall to mineralisation, and chalcopyrite-bornite hosted in greywacke below the shale unit, and locally also in the brecciated footwall granitoid. Mineralisation grades downward over several metres from a cupriferous breccia in the footwall, to pyrite-bearing veinlets, and then to massive unaltered granite.

Exploration

Exploration is at an advanced stage at Shaba and Safari North deposits, and elsewhere, at relatively early stages. Mineralisation at Shaba is sufficiently defined by drilling for determining an open pit Mineral Resource. Further drilling is required to define depth extents. The Safari South deposit has been drilled on a nominal 40 m by 30 m

grid. Additional drilling will be required to better define this mineralisation and may prove it to join up with Safari North.

Mawson West has completed the following work across the areas of mineralisation at the Kapulo Project:

- Mapping and reconnaissance sampling of ~500 km² (~20% of the district) completed by consultant Walter Witt over three campaigns in order to provide information on mineralisation controls to assist with drillhole planning and to assess the suitability of the area for soil geochemistry.
- Mapping and reconnaissance sampling completed by Mawson West geological staff of ~250 km² (10% of the district) in order to provide information on the style, geological setting and scale of mineralisation at occurrences in the north and west of the district. This fundamental geological work has identified new outcropping copper occurrences, and also provides the key input to the development of a district-wide stratigraphic and structural model that informs target prioritisation.
- A low-level airborne geophysical survey was completed in 2007 by UTS Geophysics and the raw data subsequently reprocessed by Southern Geoscience Consultants in 2007. Several magnetic images including Total Magnetic Intensity (TMI), and 1st and 2nd vertical derivatives were produced and interpreted to improve the understanding of the structural framework of the area and specifically the Kapulo Project.
- A total of 225 drillholes for a total of 22,164 m of drilling at the Kapulo Project including 16,786 m of NQ/HQ, and 5,178m of RC between 2007 and 2011. At the Shaba Prospect Shaba has 115 holes for 15,469 m have been completed and at Safari a total of 82 drill holes for 5,955 m have been completed. A total of 50 holes for 2,386 m were drilled to prove that no mineralisation exists beneath the proposed sites of mine infrastructure at Kapulo. To date drilling has defined the mineralisation to the north and a high-grade south plunging copper shoot. The mineralisation remains open to the south and at depth at both Shaba and Safari North and Safari South.
- A total of 53 drillholes for a total of 4,386 m of drilling at regional prospects in the greater Kapulo District. This includes 9 holes for 700 m testing and successfully identifying mineralisation at the Kaminda prospect. The remainder represent drill testing of prospects subsequently downgraded, and testify to efficient evaluation of prospects by Mawson West.
- A major soil geochemical sampling program was designed and supervised by Stan Harrison, a consultant geochemist based in Perth, Western Australia. A total of 9,393 soil geochemical samples were collected over the northern and central regions of Kapulo with nominally 50 m spaced samples on 400 m spaced lines, commonly infilled at 200 m, and locally at 100 m line spacing. The samples were sieved using 80# mesh during collection and bagged into numbered geochemical sample bags. Samples were then sent to Genalysis in Johannesburg for sample preparation and then submitted to Genalysis Laboratories in Perth for multi-element analysis by ICP-MS for Au, Ag, As, Bi, Mo, Sb, U, W and ICP_OES for Ba, Cu, Ni, Pb and Zn. Results highlighted several high order coincident multi-element geochemical anomalies along the Kapulo fault zone.
- Soil geochemical sampling programs were designed and supervised by Mawson West staff geologists covering new targets elsewhere in the district. A total of 5,627 samples have been collected at other prospects, with samples collected at nominal 200 m line spacing and 50 m or 100 m sample spacing dependent on the geological environment. The samples were sieved using 80# mesh during collection and bagged into numbered geochemical sample bags. Samples were analysed for Cu, Pb, Zn, Mo, Ba, Fe, Mn, Ni, Sb, Sn, Sr, Te, Th, Ti, U, V, W and Zr by Niton XRF at an in-house site laboratory Mawson West has established at Dikulushi. Results revealed additional multi-element geochemical anomalies along the Kapulo fault zone and constrained regional mapping.
- CSAMT (Controlled Source Audio-Frequency Magnetotelluric) ground geophysics surveys were undertaken by Zonge Engineering in 2010 to test the subsurface electrical resistivity across the Kapulo fault. Surveys were conducted at selected locations north and south of the known deposits, as well as orientation surveys across the known deposits. Five of seven conductive targets identified from this work were tested in 2011, resulting in the discovery of the Kaminda occurrence and downgrading of four targets. Kaminda is structurally and mineralogically comparable to the other Kapulo deposits, but is presently known to contain only low-grade breccia-hosted mineralisation. Two other geophysical and several geochemical targets along the Kapulo Fault remain to be tested.
- A regional drainage geochemical survey has been conducted over most of the greater Kapulo district using conventional -80# sample methodology. A total of 225 sediment samples have been collected from catchments between 3 and 20 km² in areal extent. The samples were dried on site, sieved and bagged into numbered geochemical sample bags. Samples were then sent to ALS Minerals Division in Johannesburg for sample preparation and multi-element analysis by ICP-AES for Au, Ag, Al, As, B, Ba,

Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W and Zn. The results highlighted several areas within the exploration permits that yielded anomalous copper in active sediments and warrant further exploration.

Mawson West believes there is considerable potential remaining in the Kapulo district. The full extent and possible continuity within the Safari deposits has not been tested. Copper occurrences associated with geochemical and/or geophysical targets along the northern Kapulo fault also remain to be tested. In the western part of the district, exploration is at an earlier, reconnaissance stage. To date Mawson West has identified outcropping mineralisation in three areas (Mushima, Walinda, Katobo), and revealed strong drainage copper anomalism in several other zones. The basement, structural architecture, and sedimentary rock units in the western part of the district are distinct from the Kapulo area and so a methodical, first-principles approach will be applied to the evaluation of these western prospects.

In the near-term, the forward exploration program at Kapulo includes testing of Kapulo Fault targets with RC and diamond drilling, as well as completion of soil geochemical surveys north along the Kapulo fault and execution of mapping and soil geochemical surveys over the western prospects.

Mawson West's exploration and mining permits cover a 60 km long segment of the terrane-margin fault system at Kapulo, of which Shaba and Safari represent a 3 km long area within a 9 km Cu-in-soil anomaly. The northern 20 kms of the fault system is largely untested and hosts several outcropping Cu occurrences, geophysical and geochemical anomalies.

Mineralisation

The Kapulo copper deposits contain primary sulfide mineralisation with oxidation and localised enrichment of malachite, azurite, cuprite and rarer chalcocite in the top 20 m. Malachite occurs abundantly as pervasive disseminated grains in the fault footwall shale and sandstone, and less commonly as fracture filling in the shales. Azurite occurs as nodules and layers in the shales and sandstones at both Shaba and Safari North. Cuprite "takes the form of massive and nodular cuprite located within the black shale unit and on its contacts, particularly the footwall contact" (Witt, 2006). Malachite, azurite and cuprite are easily observed in the artisanal workings at both Shaba and Safari North.

Chalcopyrite is the primary sulfide mineral at both Shaba and Safari North, with lesser amounts of bornite and chalcocite. Chalcopyrite occurs as fine grained disseminated grains and as semi-massive blebs up to 10 mm across. In some holes (e.g. 08KTDH037) chalcopyrite forms replacement layers in the laminated greywacke. The gradational footwall of the deposit is characterised in all holes by a decrease in the proportion of chalcopyrite to pyrite, and an increase in the overall abundance of pyrite. Petrological studies suggest that there is hypogene and supergene bornite and chalcocite. This is interpreted to reflect processes of progressive fluid-rock interaction. The Kapulo fault is interpreted to have acted as a conduit up which basinal Cu-rich fluids migrated during deposition and deformation. Upon contact with the greywacke and black shale units, diagenetic sulfides and organic carbon in the sedimentary rocks caused reduction of the fluid and consequent precipitation of copper sulfide minerals. Sulfide-cemented breccias in the footwall of the fault and orebody indicate local high fluid pressures and hydraulic fracturing during mineralisation. The proportion of bornite to chalcopyrite increases toward the core and down plunge at Shaba. In this zone, bornite is the principal sulfide in the greywacke and occurs as a hydrothermal cement to brecciated granite in the footwall.

Modelling of the Shaba and Safari mineralisation was guided by a geological model of the fault gouge, sedimentary units, granitoid, and mafic dykes. The zone of mineralisation has a west-dipping tabular morphology with a sharp hangingwall contact and a gradational footwall contact. High grade mineralisation is systematically located proximal to the hangingwall. Two mineralised zones were therefore interpreted: (i) a high grade hangingwall zone with the fault defining the top contact and a nominal 4.0% (Shaba) Cu and 3% (Safari) Cu grade defining the lower contact; and (ii) a low grade footwall zone contiguous with high grade hangingwall zone as its upper contact and a nominal 0.5% Cu grade defining the lower contact.

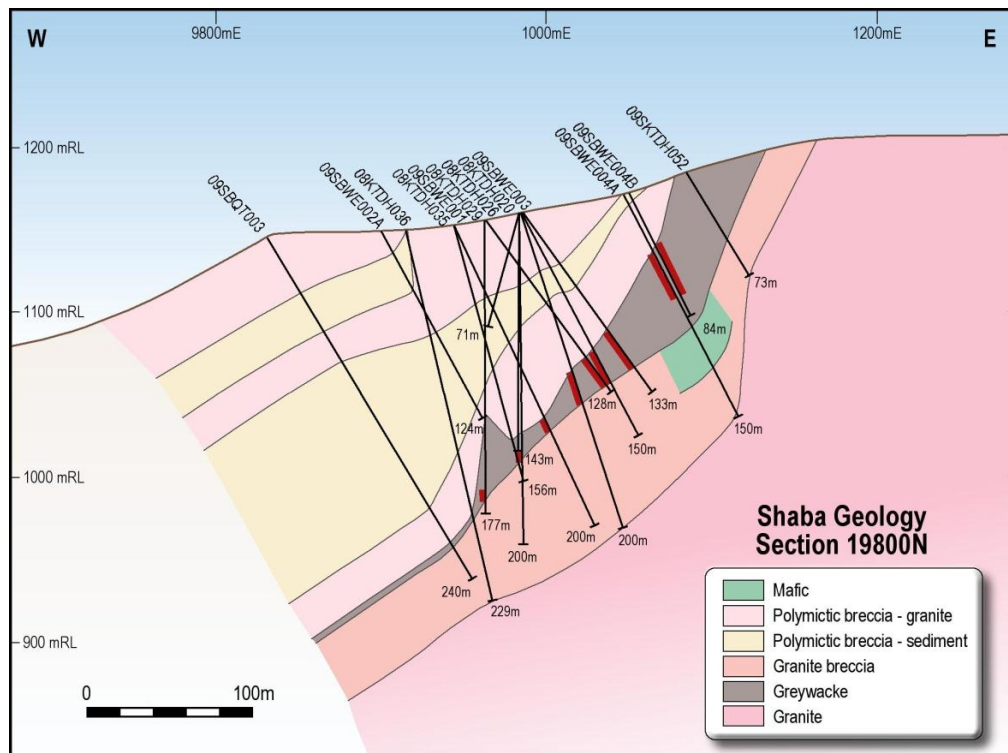
The downhole thickness of mineralised intervals ranged from 2 m to 30 m, with an average of 14.6 m for the hangingwall zone and from 0.8m to 57m, with an average of 14.6 m for the footwall. Mineralisation strike extends up to 400 m and remains open at depth and along strike.

For Safari North, the downhole thickness of mineralised intervals ranged from 1 m to 23 m, with an average of 6.25 m for the hangingwall zone and from 1 m to 18 m, with an average of 5.7 m for the footwall. Mineralisation strike extends up to 325 m and remains open at depth and along strike.

For Safari South, the downhole thickness of mineralised intervals ranged from 1 m to 8 m, with an average of 4.25 m for the hangingwall and from 2 m to 13 m, with an average of 6.5 m for the footwall. Mineralisation strike extends up to 240 m and current drilling indicates that the high-grade hangingwall material is pinching out downdip.

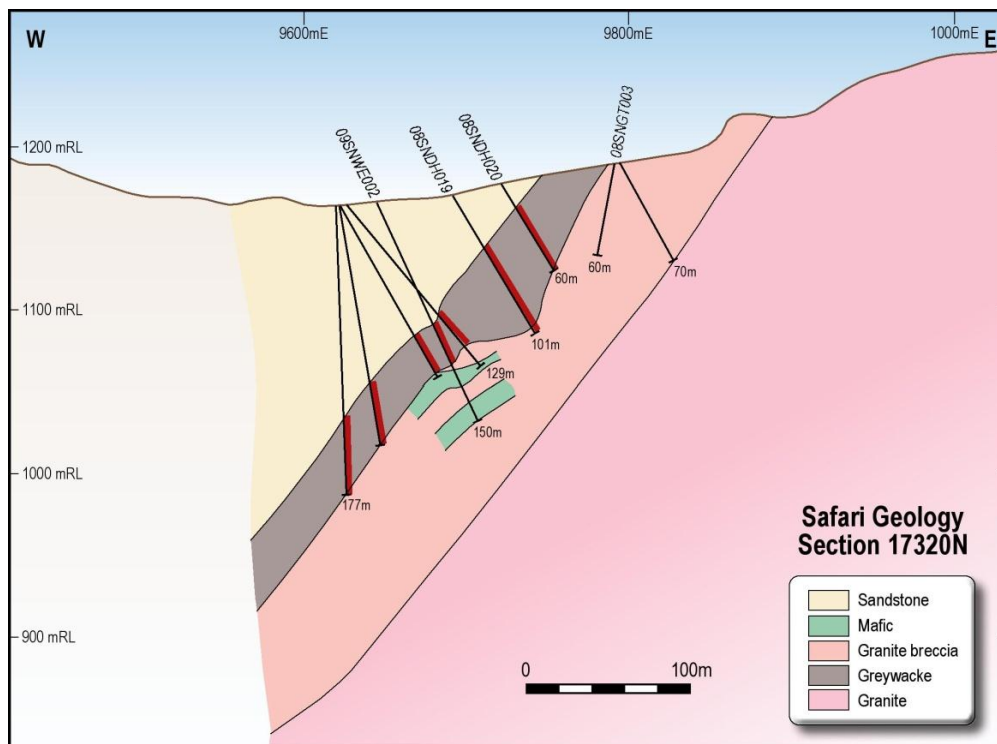
Interpolation of mineralisation was limited to 20 m along strike and no more than 40 m down dip from the last drill intercept.

A typical vertical cross section at Shaba highlighting exposed geology in relation to mineralised intercepts



Source: Table 7.2_1 from the Kapulo Report.

A typical vertical cross section at Safari North highlighting exposed geology in relation to mineralised intercepts



Source: Provided by the Company.

Drilling

Prior to the joint venture between Mawson West and Anvil, several small phases of diamond drilling were completed at the Kapulo Project by several companies and summarised below. Data from the phases of work prior to 1974 have not been considered in current Mineral Resource estimates due to a lack of confidence in data quality.

Mawson West has completed a total of 225 drill holes for a total of 21,964 m of drilling at the Kapulo Project including 16,786 m of NQ/HQ, and 5,178 m of RC between 2007 and 2012. With the Company's exploration program being slowed down during 2012, no drilling work was carried out at the Kapulo Project.

A summary of the drilling completed at the Kapulo Project is presented in the table below.

Kapulo Project Drilling Summary

<u>Company</u>	<u>Prospect</u>	<u>Period</u>	<u>Type</u>	<u>No. of Holes</u>	<u>Metres</u>
SIMIKAT	Katanga	1910-1957	?	?	328
Falconbridge	Katanga	1973-1974	PQ/HQ	7	1,880
Mawson	Shaba	2007	NQ/HQ	17	2,286
		2008	NQ/HQ	40	7,066
		2009	RC	7	992
			NQ/HQ	15	1,481
		2010	NQ/HQ	14	1,798
Mawson	Safari	2007	NQ/HQ	6	508
		2008	NQ/HQ	21	2,744
		2009	NQ/HQ	16	523
			RC	13	855
		2010	RC	24	1,325
			NQ/HQ	2	200
Mawson	Kapulo Expl.	2009	RC	21	1,376
		2010	RC	10	630
			HQ	19	380
Total				232 +	24,172

Note: Figures have been rounded

Source: Table 11.2_1 from the Kapulo Report, amended with more recent data

During 2010, surveyors from Cardno Spectrum (Cardno) in Perth, Western Australia spent approximately six weeks completing a site topographical survey using Real-Time Kinematic ("RTK") GPS to produce a digital terrain model ("DTM") of the entire Kapulo Project area and surrounds accurate to approximately 30 mm. The survey control data was post processed using Topcon tools software. The DTM was generated in Surpac software and provided as a 3D DTM wireframe.

Final completed drill collar positions were surveyed in LMG and converted to UTM using CAR1 for a simple two point transformation in Micromine software.

Down hole surveys of drillholes were completed at 30 m downhole intervals in order to ensure each hole was not deviating too much from the planned dip and azimuth. The surveys were measured using an Eastman downhole electronic single-shot camera which records the dip and azimuth to a data storage chip and the results were then tabulated for each hole on a report card which was checked by the site geologists for accuracy. The camera has a stated accuracy of 1° in dip and azimuth. No magnetic minerals have been noted in the logging of the drill core at the Kapulo Project and thus the recorded azimuths were considered to be correct.

Holes were planned and drilled to intersect the mineralisation normally, and thus significant true width conversions were not required.

Sampling and Analysis

Quality diamond core sampling has been assured from the time of coring, with core lengths and drilling lengths recorded for the purposes of assessing core recovery. Drill core logging included core recovery, rock quality description (RQD), geology, alteration and mineralisation. Drill core was split in half with a diamond saw, minimising contamination risk with frequent cleaning. The same side of half core was sampled at one metre intervals. All drill core was sampled. Samples were placed in calico bags and then into larger plastic bags together with sample labels for transportation to the laboratory.

For RC drilling, samples were routinely collected at 1 m intervals into a cyclone with an RC type green UV degradable plastic bag to catch the cuttings. The cuttings were then split with a Jones type riffle 3 tier splitter which splits 12.5% to 87.5%. The calico was placed on the front of the splitter and collects the 12.5% as a split sample and the residue went back into the green UV plastic bag. Field duplicates were taken via the splitter every 20 samples with the sample split twice to provide the field duplicate. The bags of cuttings were routinely

weighed prior to taking the sub-sample via the riffle splitter. The calico bags were then weighed and put into a labelled polywoven bag, which was sealed with a cable tie. The samples were taken back to camp and stored in a dry area until collection.

Coffey Mining concluded that the sampling procedures adopted for drilling are consistent with current industry best practice. Samples collected by diamond coring within the highly weathered zones are of moderate quality, with the remainder being of high quality. Sample recoveries and quality for the RC drilling are high with no wet drilling encountered for the RC. Dedicated drillhole twinning of the diamond and RC holes was completed by Mawson West. The twin analysis did not show any sample bias from the diamond to the RC drilled samples. RC field duplicate samples were routinely collected every 20 m to allow assessment of the field sampling error (or bias) once the laboratory error, determined from analysis of pulp duplicates, was subtracted. Acceptable reproducibility was identified from assessment of the RC field duplicate data.

Preparation and assaying of samples from the Kapulo Project has been carried out at two independent laboratories. During 2007, the core samples from Kapulo were shipped to Genalysis Laboratories in Johannesburg, South Africa for sample preparation and a split of the pulp sent to Genalysis, Perth, Western Australia for analysis. During 2008, all diamond core samples from the Kapulo Project were shipped to ALS-Chemex Laboratories in Johannesburg, South Africa for analysis.

Mawson West routinely submits internationally recognised standards at a rate of 1:30 samples with all samples submitted to ALS-Chemex Laboratories in Johannesburg, South Africa. Up to 5% of sample pulps are submitted to another independent laboratory for umpire analysis. If a standard value is more than 2 standard deviations away from the accepted value, the lab is alerted and the submission associated with that standard is re-assayed.

Coffey Mining concluded that analytical procedures associated with data generated to date are consistent with current industry practise and are considered acceptable for the style of mineralisation identified at Kapulo. No significant issues have been observed in the QAQC results for the Shaba and Safari deposits. Any errors in standards results were noted to have a tendency to be under-reporting results.

Security of Samples

The close scrutiny of sample submission procedures by Mawson West technical staff, and the rapid submission of samples from drilling for analysis, provides little opportunity for sample tampering. Equally, given the umpire assaying via an external international laboratory and the regular 'blind' submission of international standards to both the primary and umpire assay facilities, any misleading analytical data would be readily recognised and investigated.

Current Kapulo sampling procedures require samples to be collected in closed bags once taken from the rig. They were then transported to the Kapulo camp to be picked up by the laboratory truck. The laboratory truck transports samples directly to the laboratory.

Reference material is retained and stored at the Kapulo exploration camp, as well as chips derived from RC drilling, half-core and photographs generated by diamond drilling, and duplicate pulps and residues of all submitted samples. Assessment of the data indicates that the assay results are generally consistent with the logged alteration and mineralisation, and are entirely consistent with the anticipated tenor of mineralisation which is typically visible in the core photography.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource estimates were prepared by Steve Le Brun (former employee of Coffey Mining Ltd) in accordance with the JORC Code and NI 43-101. Mr. Le Brun is a Competent Person as defined by the JORC Code and a Qualified Person for the purpose of NI 43-101 and is independent of the Company.

The classification of the Shaba Mineral Resource was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density, data location, data quality, grade estimation and quality of the estimates. The current Shaba Mineral Resource is reported as a combination of Indicated and Inferred material, depleted for surface artisanal workings, and is summarised in the table below.

The Mineral Resource estimates are shown the following table.

Kapulo Project Resource Statement
(Reported above 0.3% Cu cut-off)
(As at June 1, 2010)

Classification	Zone	Mt	Grade (Cu%)	Cu Metal (Tonnes)	Grade (Ag g/t)	Ag Metal (MOz)
Shaba Deposit						
Indicated	HW	1.710	7.7	131,650	23	1.24
	FW	3.280	1.4	45,650	3	0.30
	<i>Subtotal</i>	<i>4.990</i>	<i>3.6</i>	<i>177,300</i>	<i>10</i>	<i>1.54</i>
Inferred	HW	0.195	7.4	14,400	30	0.19
	FW	0.829	1.1	8,800	5	0.12
	<i>Subtotal</i>	<i>1.024</i>	<i>2.3</i>	<i>23,200</i>	<i>10</i>	<i>0.31</i>
Safari North Deposit						
Indicated	HW	0.509	4.8	24,360	10	0.16
	FW	0.451	1.8	7,950	3	0.05
	<i>Subtotal</i>	<i>0.959</i>	<i>3.4</i>	<i>32,310</i>	<i>7</i>	<i>0.21</i>
Inferred	HW	0.313	4.1	12,875	8	0.08
	FW	0.693	1.3	9,075	3	0.06
	<i>Subtotal</i>	<i>1.006</i>	<i>2.2</i>	<i>21,950</i>	<i>4</i>	<i>0.14</i>
Safari South Deposit						
Indicated	HW					
	FW					
	<i>Subtotal</i>					
Inferred	HW	0.098	4.2	4,150	1	0.01
	FW	0.294	1.1	3,095	1	0.01
	<i>Subtotal</i>	<i>0.392</i>	<i>1.8</i>	<i>7,245</i>	<i>1</i>	<i>0.01</i>

Note: Figures have been rounded.

Source: Table 1.8_1 in the Kapulo Report.

All grade estimation was completed using Ordinary Kriging for copper and silver. This estimation approach was considered appropriate based on review of a number of factors, including the quantity and spacing of available data, the interpreted controls on mineralisation, and the style of mineralisation. The estimation was constrained with geological and mineralisation interpretations.

Coffey Mining of Perth, Western Australia declared Mineral Reserves at Shaba in June 2011 as reported in the Kapulo Report which was based in the Company's internal feasibility study for the Kapulo Project.

Kapulo Copper Project Shaba Reserve Statement 22 June 2011 Reported Above 0.3% Cu Cut-off 5% Dilution applied at zero grade
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Classification	Tonnes	Cu Grade	In-situ Cu Metal	Ag Grade	In-situ Ag Metal
	(Mt)	(%)	(kt)	(Ag ppm)	(kOz)
Proved	-	-	-	-	-
Probable	3.6	3.6	128.0	8.3	954.8
Total	3.6	3.6	128.0	8.3	954.8

Note: Mineral Reserve estimates were prepared by Harry Warries of Coffey Mining Ltd in accordance with the JORC Code and NI 43-101. Mr Warries is a Competent Person as defined by the JORC Code and a Qualified Person for the purpose of NI43-101 and is independent of the Company.

Source: Table 1.9_1 in the Kapulo Report.

Development

The Company believes that significant additional upside potential exists at the Kapulo Project as current Mineral Reserves do not include Shaba underground or Safari North or Safari South deposits.

Mawson West is in the process of developing the Kapulo Project utilising a process plant with a rated capacity of 0.385Mtpa for oxide material and 0.6Mtpa for sulfide material. A flowsheet has been developed based on conventional comminution, flotation and filtration processes. Plant design is based upon crusher feed grades of about 5.40% Cu for the oxide material and 4.37% Cu for the sulfide material, these values being derived from the head assays of the completed metallurgical testing.

The key infrastructure required for the development of the Kapulo Project is as follows:

- The process plant area which includes the mine administration building.

- The mine services area, including workshops, fuel farm and powerhouse.
- Explosives storage area.
- The staff village.
- The process water dam.
- The tailings storage facility.
- Access road from Pweto is currently being upgraded by the Company. The airstrip at Pweto will be used for the foreseeable future as the mine is only 45 minutes by road from the airstrip.
- Site access roads will require upgrading as part of mine construction.

EXPLORATION - LUFUKWE

In the fourth quarter of 2013, Mawson West announced reconnaissance drilling results from the Lufukwe prospect. The results confirm the continuity of copper-silver mineralisation along at least 1270 m of strike at Lufukwe. Eight HQ diamond holes for 985 m were drilled to test historical diamond drilling results and investigate continuity of the sandstone-hosted copper-silver mineralisation. Seven of the drill holes were distributed along a 1270 m long segment of the host unit, and hole 12LKDH008 intersected the target 40 m down-dip of hole 12LKDH001. The drill holes were orientated at -60° towards the east to provide for approximate true width intersections of the host unit which dips 40° to the west. All of the holes intersected disseminated copper-silver mineralisation, successfully confirming both the continuity of mineralisation and the width and tenor of historical drill results. The low proportion of acid-soluble copper in the intersections confirms the bulk of the copper is contained in sulfide minerals.

The principal host unit at Lufukwe is the Monwesi Sandstone. Mineralisation is focussed in the lower part of this unit and is characterised by a higher silver-copper ratio than Mawson West's other deposits at Kapulo and Dikulushi. Oxidation and weathering are interpreted to have variably leached copper in the upper 50-100 m of the prospect with a significant portion of the Monwesi Sandstone been oxidised in each of the holes from 12LKDH002 to 12LKDH006. The effect of weathering decreases with depth, and the intersections in holes 12LKDH001, 12LKDH007 and 12LKDH008 represent un-weathered mineralisation.

The Monwesi Sandstone host has been traced in outcrop and as a surface chemical anomaly at >75 ppm Cu along a strike length of approximately 14 km around the Lufukwe Anticline. The current drilling program has therefore tested less than 10% of the target strike extent. The mineralised zone at Lufukwe remains open along strike and down dip and further diamond drilling and preliminary metallurgical test work is planned during 2013.

A table of the Lufukwe diamond drilling results is presented below.

Lufukwe Project –Diamond Drilling Results Nov 2012

Hole_ID	From	Width*	Cu	Ag	CuO	East	North	Elev.
<i>units</i>	<i>m</i>	<i>m</i>	<i>%</i>	<i>ppm</i>	<i>%</i>	<i>mE</i>	<i>mN</i>	<i>masl</i>
12LKDH001	47.0	3.0	1.09	26	0.49	607154	8943280	1231
12LKDH001	59.0	10.0	1.62	90	0.08	607162	8943281	1218
12LKDH002	104.0	9.0	1.08	116	0.10	607122	8943441	1221
12LKDH002	117.0	4.0	1.20	325	0.21	607128	8943441	1212
12LKDH003	77.0	1.0	2.00	47	0.10	607088	8943600	1240
12LKDH004	58.0	2.0	0.80	4	0.14	607040	8944026	1283
12LKDH004	66.0	2.0	1.51	3	0.24	607044	8944026	1276
12LKDH005	86.0	9.0	1.21	17	0.37	606939	8944236	1239
12LKDH006	133.0	4.0	1.67	139	0.22	607202	8942964	1195
12LKDH007	110.0	2.0	0.94	36	0.34	607141	8943143	1202
12LKDH007	126.0	8.0	2.46	129	0.03	607150	8943144	1185
12LKDH008	123.0	11.0	1.17	63	0.49	607121	8943286	1181

NB: Intercepts are calculated using a 0.5% Cu cutoff and a maximum of 3 m consecutive internal waste.

*The true widths are interpreted to be approximately 95% of reported widths above

Assays were completed at the Dikulushi site laboratory, independently managed by Societe Generale de Surveillance SA ("SGS"). Sample preparation was done using equipment housed separately and exclusively employed for exploration samples to reduce the likelihood of contamination. Samples sent to the SGS laboratory at Dikulushi were prepared and analysed by crushing to a nominal 10 mm and a 250 g split was pulverised to 90% passing -75 µm. Following a multi-acid digestion the samples were analysed by AAS. A quality control sampling program of reference standards, duplicates and umpire assays is ongoing to monitor the accuracy and precision of all exploration sample assay results.

DOING BUSINESS IN THE DEMOCRATIC REPUBLIC OF CONGO

General

The DRC, formerly Zaïre, is located in west-central Africa and is the second largest country in Africa (2.3 million km²), similar in size to Western Europe, and with a population of approximately 68 million. The capital of the country is Kinshasa, which is located in the north-west of the country on the Congo River. The Congo River provides extensive access to the interior of the country.

Current Political Situation

Established as a Belgian colony in 1908, the DRC gained its independence in 1960. Following years of civil unrest and war, a transitional government held a successful constitutional referendum in December 2005 following which democratic presidential and parliamentary elections were held on July 30, 2006 under the guidance of the European Union Electoral Observer Mission and the United Nations mission to the DRC. Such elections were the first to be held in 40 years in the DRC. The first round of elections resulted in Joseph Kabila and Jean Pierre Bemba being identified as the two preferred candidates for the position of President. As a result, a run-off election was held on October 29, 2006, with Joseph Kabila declared the winner on November 15, 2006, after which he was inaugurated as President in December 2006 and has served as President since that time. He was re-elected as President on November 28, 2011. Presidential, legislative, provincial and local government elections are next due to be held in November 2016.

The political system of the DRC should be considered by investors to be less predictable than that of countries in which investors are likely to be resident. The DRC is a developing nation. Moreover, the DRC has a history of political instability, significant and unpredictable changes in government policies and laws, war and civil conflict, including current civil unrest centred around the city of Goma, which is located approximately 760 km directly north-east of the Kapulo Project (the Company's operation closest to the affected area), and lack of law enforcement. The Company has been operating in the DRC since 2006, and its directors and management are experienced with foreign mining operations, are well aware of the risks associated with the Company's operations in the DRC and continuously monitor developments in the DRC which may impact upon its operations. The Company enjoys good relations with the DRC Government and has been working with the DRC Government, local communities and various non-governmental organisations on programs aimed at social, economic and institutional development.

Security of Tenure

The mining concessions on which the Company is currently carrying out operating and development activities are all located in the DRC. As a result, the Company is subject to certain risks, including possible political or economic instability in the DRC, which may result in the impairment or loss of mineral concessions. Any changes in laws or regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. No assurance can be given as to the outcome of any future discussions or negotiations between Mawson West and the DRC Government or that Mawson West's security of tenure and its ability to secure additional financing in the future may not be adversely affected so as to have a material adverse effect on its business, operating results or financial position.

Economy

The economy of the DRC has historically been dominated by its resource sector. The Copperbelt region of the country, in the southern Katanga Province, is renowned as one of the richest mineral regions of the world and until the mid-1980's enabled the country to be one of the world's largest producers of copper, with annual production exceeding 500,000 tonnes of copper. Adverse political events beginning in the early 1990s, together with military activity, led to a dramatic reduction in national mining output. Diamonds, copper and cobalt remain the principal foreign exchange earning exports for the country.

Following a prolonged absence, the International Monetary Fund and the World Bank have reengaged with the DRC and are assisting in the development of coherent legislative and economic reforms aimed at a reconstruction of the country. In 2002, as part of this effort, the Government of the DRC introduced a new Mining Code. Gécamines, a state owned mining company, holds significant quantities of Mineral Resources and Mineral Reserves of copper, cobalt, germanium and zinc in Katanga Province.

Government Review of Dikulushi Mining Convention

In 2008 the Dikulushi Mining Convention was formally reviewed by the DRC Government. In January 2009, the DRC Government advised that the commercial terms and conditions of the Dikulushi Mining Convention would remain unchanged.

Mining Taxation

Historically, companies involved in the mining industry in the DRC have negotiated specific deductions and exemptions for income tax purposes as an integral part of each mining convention, given the higher level of risk at the time. Operations at the Dikulushi Mine, work at the Kapulo Project and the Company's exploration activities are subject to the terms of the Dikulushi Mining Convention. The Dikulushi Mining Convention entitles AMC to benefit if there is more favourable taxation legislation introduced subsequent to the effective date of the Dikulushi Mining Convention. On enactment of the Mining Code in 2002, AMC elected to continue with the established terms of the Dikulushi Mining Convention.

The Dikulushi Mining Convention provides for concessionary rates of taxation for each new mine. The first five years of production are free from corporate tax, and then the effective tax rate is 16% from the sixth through tenth years of production, 18% for the eleventh through fifteenth years of production, and 40% thereafter. For purposes of this taxation schedule, the Dikulushi Mine has been producing for approximately ten and a half years.

On January 1, 2012 the DRC government introduced a Value Added Tax ("VAT") at a rate of 16%. Key inputs to the Company's production processes are subject to this tax and the re-claiming of VAT paid is subject to restrictions and exclusions.

Notwithstanding the foregoing, Mawson West's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. See also *"Risk Factors — Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions"*.

RISK FACTORS

An investment in the Company is subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in Mawson West and the business, prospects, financial position, financial condition or operating results of the Company. Prospective investors should carefully consider the information presented in this Annual Information Form, including the following risk factors, which are not an exhaustive list of all risk factors associated with an investment in the Company, the Company's ordinary shares or in connection with the operations of the Company.

Mining

The Dikulushi Mine and the Kapulo Project account for all of the Company's Mineral Resources and Mineral Reserves.

Any adverse development affecting the progress of the Dikulushi Mine and/or the Kapulo Project such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company's financial performance and results of operations.

Security of Tenure

The mining concessions on which the Company is currently carrying out operating and development activities are all located in the DRC. As a result, the Company is subject to certain risks, including possible political or economic instability in the DRC, which may result in the impairment or loss of mineral concessions. Any changes in laws or regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. No assurance can be given as to the outcome of any future discussions or negotiations between Mawson West and the DRC Government or that Mawson West's security of tenure and its ability to secure additional financing in the future may not be adversely affected so as to have a material adverse effect on its business, operating results or financial position.

The development of the Kapulo Project into a commercially viable mine cannot be assured

Development projects such as the Kapulo Project have no operating history upon which to base estimates of future commercial viability. Estimates of Mineral Resources and Mineral Reserves are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies.

This information is used to calculate estimates of the capital cost and operating costs based upon anticipated tonnage and grades of copper to be mined and processed, the configuration of the Mineral Resource, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that estimates may differ from actuals and such difference could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There can be no assurance that the Company will be able to complete development of its mineral projects, or any of them, at all or on time or to budget due to, among other things, and in addition to those factors described above, changes in the economics of the mineral projects, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support Mawson West's operations. Should any of these events occur, it would have a material adverse effect on Mawson West's business, financial condition, results of operations and prospects.

Base metal exploration projects may not be successful and are highly speculative in nature

The exploration for and development of base metals involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a base metal deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a base metal deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of base metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of base metal deposits will result in discoveries of commercial quantities of such metals.

Mining operations generally involve a high degree of risk

Mining operations are subject to all the hazards and risks normally encountered in the exploration for and development and production of precious and base metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, variations in grade, deposit size, density and other geological problems, hydrological conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and adverse weather conditions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Should any of these risks and hazards affect any of Mawson West's proposed mining operations, it may cause the cost of production to increase to a point where it would no longer be economic to produce copper from the Company's Mineral Reserves, which would have a material adverse effect on the financial condition, results of operation, and cash flows of the Company.

Copper price volatility may affect the future production, profitability, financial position and financial condition of Mawson West

The development and success of the Dikulushi Mine and the Kapulo Project will be primarily dependent on the future price of copper. Copper prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major copper-producing countries throughout the world. The price of copper and other base and precious metals has fluctuated widely in recent years, and future serious price declines could cause continued development of, and commercial production from, the Company's properties to be impracticable or uneconomic. Depending on the price of copper and other base metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on copper prices that are adequate to make these properties economically viable.

Furthermore, Reserve calculations and life-of-mine plans using significantly lower copper prices could result in material write-downs of the Company's investment in mining properties and increased amortisation, reclamation and closure charges. In addition to adversely affecting the Company's Mineral Reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Mawson West's Mineral Resources and Mineral Reserves are estimates only

There is no certainty that the Mineral Resources, or any Mineral Reserve, attributable to Mawson West will be realised. Until Mineral Reserves or Mineral Resources are actually mined and processed, the quantity of Mineral Resources and Mineral Reserve grades must be considered as estimates only. In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on, among other things, metal prices and currency exchange rates. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that copper recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of Mineral Reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of Mineral Reserves and Mineral Resources, or of the Company's ability to extract these Mineral Reserves, could have a material adverse effect on the Company's results of operations and financial condition. Also, a reduction in estimated Mineral Reserves could require material write-downs in investment in the affected mining property and increased amortisation, reclamation and closure changes.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions

Mawson West conducts mining, development and exploration activities in the DRC. Mawson West's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. Some of these risks are more prevalent in countries that are less developed or have emerging economies, such as the DRC. Due to the fact that the DRC is a developing nation, with poor physical and institutional infrastructure, the Company's operations are subject to various increased economic, political and other risks. The occurrence of one or more of these risks could have a material and adverse effect on Mawson West's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on Mawson West's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies, the failure of foreign parties to honour contractual relations, challenges to or reviews of the Company's legal and contractual rights, corruption, foreign taxation, changing tax and royalty regimes, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organisations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on copper exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognised by the government of the DRC or by its court system. These risks may limit or disrupt Mawson West's operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalisation or expropriation without fair compensation.

The economy and political system of the DRC should be considered by investors to be less predictable than those in countries in which investors are likely to be resident. The DRC has a history of political instability, significant and unpredictable changes in government policies and laws, war and civil conflict, including current civil unrest centred around the city of Goma, which is located approximately 760 km directly north-east of the Kapulo Project (the Company's operation closest to the affected area), illegal mining activities, lack of law enforcement and labour unrest. The possibility that the current, or a future, government may adopt substantially different policies, take arbitrary action which might halt production, extend to the re-nationalisation of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's results of operations and financial condition.

Mawson West may experience regulatory, consent or permitting delays

The business of mineral exploration, project development, mining and processing is subject to various national and local laws and plans relating to: permitting and maintenance of title; environmental consents; taxation; employee relations; heritage /historic matters; health and safety; royalties; land acquisition; and other matters.

There is a risk that the necessary permits, consents, authorisations and agreements to implement planned exploration, project development, or mining may not be obtained under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

There is no assurance as to Mawson West's ability to sustain and expand Mineral Reserves and Mineral Resources

Because mines have limited lives based on Proved and Probable Mineral Reserves, the Company will be required to continually replace and expand its Mineral Reserves as its mines produce copper. The Company's life-of-mine estimates included in this Annual Information Form in respect of the Dikulushi Mine and the Kapulo Project may not be correct. The Company's ability to maintain or increase its annual production of copper in the future will be dependent in significant part on its ability to bring new mines into production and to expand Mineral Reserves at existing mines. The Dikulushi Cutback Project and the Kapulo Project have an estimated remaining life of 9 months and 6 years respectively based only on Proved and Probable Reserves.

Feasibility studies may be used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit including the achievement of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future copper prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the copper from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result Mawson West cannot give assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated, thereby impacting on the economic viability of the project.

Mawson West's current and proposed exploration and mining activities are situated entirely in a single country

Mawson West is conducting its exploration, development, and mining activities entirely in the DRC. Mawson West believes that the Government of the DRC supports the development of natural resources. There is no assurance that future political and economic conditions in the DRC will not result in the Government of the DRC adopting different policies respecting foreign development and ownership of Mineral Resources. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both Mawson West's ability to undertake exploration and development activities in respect of future properties as well as its ability to continue to explore and develop those properties in respect of which it has obtained mineral exploration rights to date.

Mawson West's title to mineral rights could be challenged

The acquisition and retention of title to mineral rights is a detailed and time consuming process. Title to, and the area of, Mineral Resource claims may be disputed or challenged. The Company's right to explore for, mine, produce and sell copper from the Dikulushi Mine and the Kapulo Project is based on the Dikulushi Mining Convention. Should Mawson West's rights under the Dikulushi Mining Convention not be honoured or be unenforceable for any reason, or if any material term of the Dikulushi Mining Convention is unilaterally changed or not honoured, including the boundaries, Mawson West's ability to explore and produce copper in the future would be materially and adversely affected, and this would have a material and adverse effect on the Company's financial performance and results of operations.

Mawson West relies on its management team, and the loss of one or more of these persons may adversely affect Mawson West

The success of the operations and activities of Mawson West is dependent to a significant extent on the efforts and abilities of its management. Investors must be willing to rely to a significant extent on management expertise, competence, discretion and judgment. The loss of one or more of these key employees, if not replaced, could adversely affect Mawson West's profitability, results of operations and financial condition.

Inferred Mineral Resources are uncertain and their economic viability cannot be assured

Inferred Mineral Resources may not be converted into Mineral Reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to Resources with sufficient geological continuity to constitute Proved and Probable Mineral Reserves as a result of continued exploration.

Mawson West has a short history of mining operations

The Company has a short history of mining operations, and there is no assurance that it will continue to successfully produce copper or silver, generate revenue, operate profitably or provide a return on investment in the future. Other factors mentioned in this risk factors section of the Annual Information Form may also prevent Mawson West from successfully operating a mine.

Mawson West may incur losses in the future

The Company has only recently commenced substantial production from the Dikulushi Cutback Project and has not yet commenced production from the Kapulo Project. Accordingly, there can be no assurance that the Company will continue to experience positive operating cash flow and that significant losses will not occur in the near future or that the Company will be profitable in the future.

Mawson West may require additional financing

The Company may require additional financing to further develop its operations and for further acquisitions. Failure to obtain sufficient financing in the future may result in delay or indefinite postponement of the development of the Company's projects. There can be no assurance that equity or debt financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company.

Mawson West's properties are subject to environmental risks

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. Mawson West cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Mawson West's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes or slowdowns, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment or laws, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Currency fluctuations may affect the costs that Mawson West incurs in its operations

Most of the Company's revenue and operating expenses are incurred in United States dollars. From time to time, the Company may raise or borrow funds and will incur expenditure that is denominated in foreign currency. Copper is sold throughout the world, based principally on a U.S. dollar price, but as stated above, a portion of Mawson West's operating expenses are incurred in non-U.S. dollar currencies. The appreciation of non-U.S. dollar currencies in those countries where Mawson West has mining and exploration operations against the U.S. dollar would increase the costs of copper production at such operations which could materially and adversely affect the Company's profitability, results of operation and financial position.

A market for Mawson West's shares may not be sustained

The Company has ordinary shares are currently listed for trading on the TSX. Some shares are also held on the Company's Australian register. However, an active public trading market for the ordinary shares may not be

sustained. If an active public market for the ordinary shares is not sustained, the ability of a purchaser to dispose of the ordinary shares in a timely manner, or at all, may be affected.

Trading in Mawson West's shares may be volatile

The securities of publicly traded companies, particularly those considered to be development stage companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include general worldwide economic conditions, changes in government policies, investor perceptions, movements in global interest rates and global stock markets, variations in the operating costs and costs of capital replacement that the Company may require in the future and all market conditions that are specific to the mining industry. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

There can be no assurance that Mawson West will ever pay dividends

No dividends on the ordinary shares have been declared or paid to date. The Company anticipates that, for the foreseeable future, it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including earnings, operating results, financial condition, current and anticipated cash needs, and any restrictions in financing agreements. There can be no assurance in relation to the payment of dividends.

The issuance of additional equity by Mawson West may depress its share price and will cause dilution

The Company may undertake additional offerings of ordinary shares and of securities convertible into ordinary shares in the future to satisfy financing requirements. Any increase in the number of ordinary shares issued and outstanding and the possibility of sales of such ordinary shares may depress the price of ordinary shares. In addition, as a result of the issuance of any such additional ordinary shares, the Company's existing shareholders would be diluted.

It may not be possible to effect service of process and enforce judgments outside of Canada

The Company and its subsidiaries are incorporated or otherwise organised under the laws of foreign jurisdictions and all but one of the directors and officers of the Company and some or all of the experts named in this Annual Information Form reside outside Canada. In addition, some or all of the assets of those persons and the Company and its subsidiaries are located outside of Canada. Although the Company and its directors that reside outside of Canada have appointed Wildeboer Dellelce Corporate Services Limited, Suite 800, 365 Bay Street, Wildeboer Dellelce Place, Toronto, Ontario, Canada, M5H 2V1, as their agent for service of process in Canada, it may not be possible for investors to collect from the Company or enforce judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation against the Company, its directors and officers and certain of the experts named in this Annual Information Form. Moreover, it may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above.

Current Global Financial Conditions

Current financial conditions globally have been subject to increased volatility. Access to financing has been negatively affected by economic uncertainties resulting from the inability of certain governments to meet their debt payment obligations. These factors may affect the ability of the Company to obtain equity and/or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected and the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner and the ability of the Company to continue as a going concern.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or one or more of its subsidiaries in the future from time to time, or the Company or one or more of its subsidiaries may be subject to another form of litigation. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, should a claim be brought against the Company, the process of defending such claims could take away from management time and effort and the resolution of any particular legal proceeding to which the Company or one or more of its subsidiaries may become subject could have a material effect on the Company's financial position and results of operations.

DIVIDENDS

The Company has not, since the date of its incorporation, declared or paid any dividends on its shares and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on the Company's earnings, if any, its financial condition and such other factors as the directors of the Company consider appropriate.

DESCRIPTION OF CAPITAL STRUCTURE

The authorised share capital of the Company consists of an unlimited number of ordinary shares. As at December 31, 2012, 168,074,861 ordinary shares were issued and outstanding as fully paid and non-assessable.

The holders of ordinary shares are entitled: (a) to vote at all meetings of shareholders of the Company; (b) to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, any dividends declared by the Company; and (c) to receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary. The ordinary shares do not carry any pre-emptive, subscription, redemption, retraction, purchase for cancellation or surrender, conversion or exchange rights, any sinking fund or purchase fund provisions, nor do they contain provisions requiring a security holder to contribute additional capital.

In addition, as at December 31, 2012, the Company had issued and outstanding options exercisable to acquire one ordinary share in the Company each as follows:

Date of Expiry	Exercise Price	Number of Shares Under Option
August 22, 2013	A\$0.80	1,656,250
August 22, 2013	A\$1.20	1,800,000
April 8, 2015	US\$0.60	817,500
April 8, 2015	C\$1.20	345,000
April 8, 2015	C\$1.80	125,000
November 30, 2016	C\$2.00	5,700,000
May 29, 2017	C\$2.00	200,000
October 19, 2014	C\$1.21	750,000

PRICE RANGE AND TRADING VOLUME OF SHARES

The Company's shares were listed and posted for trading on the TSX under the symbol "MWE" commencing on March 24, 2011. The following table sets forth the reported high and low sale prices and the daily average trading volume for the shares on the TSX for each of the periods indicated.

	<u>High (C\$)</u>	<u>Low (C\$)</u>	<u>Daily Average Volume</u>
December 2012	0.87	0.59	62,554
November 2012	1.15	0.65	87,945
October 2012	1.19	0.85	195,079
September 2012	0.94	0.59	139,650
August 2012	0.68	0.52	211,116
July 2012	0.75	0.46	384,958
June 2012	0.95	0.66	30,582
May 2012	1.00	0.80	58,101
April 2012	1.15	0.91	217,774
March 2012	1.60	1.05	145,862
February 2012	1.50	1.19	186,800
January 2012	1.59	0.82	181,300

PRIOR SALES OF SHARES

During its most recently completed financial year ended December 31, 2012, the Company issued the following securities that are outstanding but not listed or quoted on a marketplace:

Nature of Security	Number of Ordinary Shares Issuable	Exercise Price	Issue Date	Expiry Date
Options	1,950,000	C\$2.00	February 22, 2012	November 30, 2016
Options	200,000	C\$2.00	May 29, 2012	May 29, 2017
Options	12,500	US\$0.60	July 25, 2012	April 8, 2015
Options	600,000	C\$2.00	October 11, 2012	November 30, 2016
Warrants	750,000	C\$1.21	October 19, 2012	October 19, 2014

⁽¹⁾ On October 26, 2012 the Company completed a US\$5.0 million extension to its existing US\$30.0 million Working Capital Facility with RMB and in connection therewith issued 750,000 warrants to RMB at an exercise

price of \$1.21 per share and with an expiry date of 2 years from their date of issue, subject to an accelerated exercise requirement if the 5 day volume weighted average price of the ordinary shares on the TSX is at any time 100% above the exercise price.

DIRECTORS AND OFFICERS

The Board of Directors of Mawson West consists of five directors, of which Louis Rozman, Philippe Monier and Anthony Lloyd are independent. The Board has two committees, the Audit Committee and Remuneration Committee. All members of the Audit Committee are non-executive independent directors.

The names, province or state and country of residence of each director and executive officer of Mawson West as of December 31, 2012, positions held by them with Mawson West, their principal occupations for the past five years and their current ownership of securities of Mawson West are as set forth below.

Directors			
Name Province/State and Country of Residence	Current Office(s) with Mawson West Limited	Current Principal Occupation and Principal Occupation for the Past Five Years	Director Since
Anthony Lloyd	Director Chairman of the Board Member of Audit Committee and, Remuneration Committee	President of Rivenhall Capital Limited	October 31, 2007
Bruce McFadzean	Director Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer of Mawson West Limited since October 2012 Managing Director of Evolution Mining Limited (formerly Catalpa Resources Limited) since 2008	October 7, 2012
Mark Stowell	Director Member of Remuneration Committee	Director of Mawson West Limited	March 26, 1996
Louis Rozman	Director Member of Audit Committee and, Chairman of Remuneration Committee	Fund Manager of Pacific Road Capital Pty Ltd	December 1, 2009
Philippe Monier	Director Member and Chairman of Audit Committee	Director of Mawson West Limited since February 2012 Chief Financial Officer of Anvil Mining Ltd from September 2010 to March 2012.	February 29, 2012

		Chief Financial Officer of Bateman Engineering from December 2008 to May 2010. Chief Financial Officer of Green Gas International from October 2007 to November 2008.	
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Officers		
Name Province/State and Country of Residence	Current Office(s) with Mawson West Limited	Current Principal Occupation and Principal Occupation for the Past Five Years
Greg Entwistle	Chief Operating Officer	Chief Operating Officer of Mawson West Limited from September 2012 Chief Operating Officer of Sihayo Gold Limited from February 2010 to August 2012 General Manager Projects TWP Australia from October 2008 to February 2010
Jonathan Asquith	Chief Financial Officer	Chief Financial Officer of Mawson West Ltd from to 31 January 2013² Director of Mawson West Limited from 14 August 2002 to 31 March 2012
Mark Di Silvio	Chief Financial Officer	Chief Financial Officer of Mawson West Limited from February 2013 Chief Financial Officer of Ausgold Limited from October 2011 to January 2013 Chief Financial Officer of Centamin Egypt Limited from July 2008 to July 2011.
Caroline Keats	Group Executive Legal and Company Secretary	Group Executive Legal of Mawson West Limited From April 2011 Company Secretary of Mawson West Limited from April 2012 Legal Manager of Paladin Energy Limited from Nov 2008 to March 2011

Shareholdings of Directors and Officers

As of the date of this Annual Information Form, the directors and executive officers of the Company and its subsidiaries, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 7,172,892 ordinary shares, representing approximately 4.27% of the issued and outstanding ordinary shares of the Company.

² On 1 February 2013 Mark Di Silvio was appointed Chief Financial Officer of Mawson West.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the knowledge of the Company, no director or executive officer of the Company is, or was within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

To the best of the knowledge of the Company, no director or executive officer of the Company or, to the knowledge of the Company, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the knowledge of the Company, no director or executive officer of the Company or, to the best knowledge of the Company, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

As at the date hereof, the Company is not aware of any existing or potential material conflicts of interest between the Company and any director or officer of the Company.

Certain of the directors of the Company serve as directors or officers of, or provide services to, other resource companies or may have significant shareholdings in other public or private resource companies which may compete with the Company. Situations may arise in connection with potential acquisitions, investments or other transactions where the interests of these directors may actually or potentially conflict with the interests of the Company. The Company has established procedures and practices to minimise the frequency and extent of conflicts of interest and to resolve or deal with them in a manner which protects the interests of the Company and its shareholders, including disclosure of actual or perceived conflicts and having independent directors review and deal with such conflicts. The *Corporations Act 2001* (Commonwealth of Australia) requires written disclosure if a director or officer of the Company is a party to a material contract or proposed material contract or is a director or officer of, or has a material interest in, any material contract or proposed material contract, with the Company and subject to certain exceptions, requires the director to not be present while the matter is being considered at the meeting or vote at the meeting.

Committees of the Board of Directors

The Board of Directors has established two board committees: an Audit Committee and a Remuneration Committee.

Audit Committee

Details regarding the Audit Committee are set out under "Audit Committee Information" below.

Remuneration Committee

During the reporting period the Company had a separate Remuneration Committee which comprised of Messrs Rozman (Chair), Stowell and Lloyd. The independent members of the Remuneration Committee were Messrs Lloyd and Rozman, whilst Mr Stowell was not considered to be independent as a result of the amount of compensatory fees he had received from the Company during the previous three years.

The Remuneration Committee undertakes a review of the remuneration of senior executives, directors and the President / Chief Executive Officer of the Company on an annual basis.

The Remuneration Committee reviews the remuneration of President / Chief Executive Officer annually taking into account the Company's economic performance and the responsibilities and risks associated with being an effective President / Chief Executive Officer of an exploration, development, and production resource company. During the reporting period, the Remuneration Committee considered that the President / Chief Executive Officer's compensation was adequate to cover such responsibilities and risks.

All compensation arrangements for senior executives and directors are also reviewed by the Remuneration Committee and recommendations are provided to the Board.

The Board of Directors, after taking into account the recommendations of the Remuneration Committee and the current competitive rates prevailing in the market, will make a decision at its discretion in relation to approving incentives, bonuses and options for senior executives and directors.

Compensation packages comprise base salary and superannuation and may include fringe benefits and performance incentives. Executives and staff, if invited by the Board of Directors, may also be offered to participate in the Company's equity-based compensation arrangements. These packages are reviewed on an on-going basis and, in many cases, are reviewed against predetermined performance criteria.

Directors' and Officers' Liability Insurance

The Company carries industry standard directors' and officers' liability insurance. The Company does not maintain any key man insurance.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached to this Annual Information Form as Appendix "A".

Composition of the Audit Committee

For part of the reporting period, the Audit Committee comprised of Messrs Lloyd (Chair), Rozman and Stowell. On February 29, 2012 Mr Stowell retired from his position on the Audit Committee and Mr Monier was appointed to the Board and Audit Committee.

Messrs Lloyd, Rozman and Monier are each considered to be independent within the meaning of National Instrument 52-110 — *Audit Committees*. However, Mr Stowell is not considered to be independent as a result of the amount of compensatory fees he had received from the Company during the previous four years.

All of the members of the Audit Committee are financially literate in that they have the ability to read and understand a set of financial reports that are of the same breadth and complexity as can be reasonably expected to be raised by the Company's financial statements.

Relevant Education and Experience

The education and experience of each of Messrs Lloyd, Monier and Rozman that is relevant to the performance of their responsibilities as an Audit Committee member is set out below.

Mr Lloyd holds, among other degrees and designations, an MBA and has over 35 years of experience in corporate finance and private equity financing both as a principal and advisor in a broad range of public and private market transactions. Since June 2005, he has been President of Rivenhall Capital Limited, a private financial advisory firm. He has been a corporate director since 2001 and a board member of a number of public and private companies.

Mr Monier has over 25 years of corporate and international finance experience, including a number of years in the mining and minerals sectors. He holds an MBA from the London Business School and graduated in economics, finance and accounting from the École Supérieure de Commerce de Tours - Poitiers, France. Prior to joining Mawson West's board, Mr Monier held previous CFO positions with Anvil Mining Ltd, Bateman Engineering, Dynatec and BHP Billiton Base Metals. His experience also includes nine years of investment banking with Lehman Brothers' Natural Resources Group..

Mr Rozman is a Mining Engineer and executive with 30 years of experience operating and constructing projects in Africa, Australia and the Pacific Islands. Mr. Rozman was Chief Operations Officer of Aurion Gold Limited and was

instrumental in the development of its predecessor, Delta Gold Limited. Mr. Rozman is currently Investment Director of Pacific Road Capital Management Pty Ltd., and a director of Kula Gold Ltd., Pacific Energy Ltd. and Carbon Energy Ltd. He is a Fellow and Chartered Professional (Management) of the Australasian Institute Mining and Metallurgy and a Member of the Australian Institute of Company Directors, and has a BEng (Mining) degree from the University of Sydney and a Masters of Geoscience (Min Economics) from Macquarie University.

Pre-Approval Policies and Procedures for Non-Audit Services

The Audit Committee is responsible for pre-approving all non-audit services to be provided by the external auditor to the Company. Furthermore, the Audit Committee is required to evaluate the independence and objectivity of the Company's external auditors. The Audit Committee also has the authority to engage independent legal counsel and other advisors as it determines necessary to carry out its duties and responsibilities.

External Auditor Service Fees

Ernst & Young were appointed as auditors of the Company on April 23, 2012.

The following table provides details in respect of audit, audit related, tax and other fees invoiced by the Company's external auditors, Stantons International Audit and Consulting Pty Ltd. (formerly Stantons International Pty Ltd.), for the period ending December 31, 2011, and Ernst & Young for the year ended December 31, 2012:

	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
Period ended 31 December 2011	A\$160,759	Nil	Nil	A\$4,699
Year ended 31 December 2012	\$151,499 ⁽¹⁾	\$7,709 ⁽²⁾	\$20,555 ⁽³⁾	\$3,580 ⁽⁴⁾

- (1) Audit fees comprise professional services for the audit of the Company's annual financial statements and review of the Company's interim financial statements.
- (2) Audit-related fees paid were in relation to agreed upon procedures in connection with the Company's continuous disclosure filings.
- (3) Tax fees comprise amounts paid for tax advisory services.
- (4) Other fees include work performed in connection with the capital raising during the year ended 31 December 2012.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as set out below, to the knowledge of the directors and executive officers of the Company, none of the current or former directors, executive officers or employees of the Company, or associates of the foregoing, are currently, or were during the period ended December 31, 2012, indebted to the Company.

During the period from April 2010 to November 2012, certain directors, executive officers and employees of the Company received loans from the Company in the amount of USD\$1,357,500 and C\$597,500 to enable them to acquire ordinary shares of the Company under the Company's Employee Share Purchase Plan. As of the date of this Annual Information Form, of these loans a balance of USD\$1,357,500 and C\$597,500 remains outstanding in accordance with their terms. The loans are non-interest bearing and are repayable on the earlier of: (i) 5 years from the date of issuance of the ordinary shares acquired with the loans; (ii) the borrower ceasing to be employed by the Company other than by death; (iii) the Board of Directors recommending acceptance of any takeover offer; or (iv) the Company buying back the ordinary shares acquired with the loans under the terms of Employee Share Purchase Plan. Any dividends paid by the Company on the ordinary shares are to be applied against repayment of the loans. The borrowers may elect to repay the balance of any amount outstanding in respect of the loans at any time. The ordinary shares acquired with the loans are subject to transfer restrictions, except for certain permitted transfers. The loans are limited recourse and in the event of a default in repayment, the Company has no recourse against the borrowers other than the sale of the ordinary shares and application of the proceeds from such sale against the loans in full satisfaction of them.

On November 28, 2012, the Company issued 500,000 ordinary shares to Bruce McFadzean, at a price of \$0.70 per share based on the volume weighted average price of the Ordinary Shares on the TSX for the 5 day period ending September 18, 2012, the date his employment with the Company was announced, in accordance with the provisions of his employment agreement with the Company dated September 17, 2012 and conditional approval of the TSX received on September 27, 2012. In connection with the issuance of these shares, the Company made

an interest free loan to Mr. McFadzean in the amount of \$350,000 to enable him to acquire the shares. The loan is of limited recourse. One-half of the shares are subject to restrictions on transfer for a period of one year and the other half of the shares are subject to restrictions on transfer for a period of two years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not and was not a party to, and none of its property was the subject of, any legal proceedings material to the Company during the twelve months ended December 31, 2012, and no such proceedings are known to be contemplated.

During the Company's twelve months ended December 31, 2012, no penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority or by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, nor did the Company enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Annual Information Form, no director or executive officer of the Company and, to the knowledge of the directors and executive officers of the Company, none of their respective associates or affiliates, nor any person who beneficially owns or exercises control or direction, directly or indirectly, over more than 10% of the Company's outstanding ordinary shares, nor their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company.

AUDITORS

The auditors of Mawson West are Ernst & Young of 11 Mounts Bay Road, Perth, Western Australia, 6000, Australia. Ernst & Young were appointed as external auditors of the Company on April 23, 2012.

REGISTRAR AND TRANSFER AGENTS

Mawson West's registrar and transfer agent in Canada is Computershare Investor Services Inc., 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1. Computershare Investor Services Pty Ltd., Level 2, 45 St. Georges Terrace, Perth, Western Australia, 6000 is the Company's registrar and transfer agent in Australia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any contracts material to the Company during its most recently completed financial year, or before such financial year and which are still in effect, other than: (i) the agreement between Mawson West, Mawson West Investments Limited, AMC, RMB Australia Holdings Limited and RMB Resources Limited dated June 13, 2012 in respect of the Working Capital Facility; and (ii) the underwriting agreement between the Company and the Underwriters dated December 5, 2012 in respect of the public offering completed by Mawson West on December 20, 2012.

INTERESTS OF EXPERTS

Certain information in this Annual Information Form relating to the Dikulushi Mine, the Kapulo Project and Boomgate Project is summarised or extracted from the Technical Reports. The Technical Reports have been prepared by, or under the supervision of, qualified persons that are independent of Mawson West within the meaning of National Instrument 43-101 as named in the section of this Annual Information Form entitled "Technical Information". As at the date hereof, each of the authors of the Technical Reports beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

The auditors of the Company, Ernst & Young, are independent with respect to the Company in accordance with the requirements of the *Corporations Act 2001* (Commonwealth of Australia) and applicable Australian codes of professional conduct.

ADDITIONAL INFORMATION

Additional information regarding the Company may be found on the Company's SEDAR profile at www.sedar.com.

Additional financial information is provided in the Company's audited consolidated financial statements for the twelve months ended December 31, 2012 and in the Company's related management's discussion and analysis, both of which may be found on the Company's SEDAR profile at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorised for issuance under equity compensation plans and the Company's corporate governance practices, will be contained in the Company's management information circular for the Company's next annual meeting of shareholders.

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE

MAWSON WEST LIMITED

(the “Corporation”)

I. Purpose

The Audit Committee is a committee of the Board of Directors which assists the Board in overseeing the Corporation's financial controls and reporting and in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company. The Audit Committee's primary duties and responsibilities are to:

- Oversee: (i) the integrity of the Corporation's financial statements; (ii) the Corporation's compliance with legal and regulatory requirements with respect to financial controls and reporting; and (iii) the auditors' qualifications and independence.
- Serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems.
- Review and appraise the audit activities of the Corporation's independent auditors.
- Provide open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial reporting and control matters.

II. Composition

Members of the Audit Committee are appointed and removed by the Board of Directors. The Board shall designate annually the members of the Committee and a Chairman of the Committee. The Committee will be comprised of at least three directors, each of whom qualifies as an independent director, as determined by the Board. All members should have skills and/or experience which are relevant to the mandate of the Committee, as determined by the Board. All members of the Committee shall be financially literate at the time of their election to the Committee. “Financial literacy” shall be determined by the Board of Directors in the exercise of its business judgment, and shall include a working familiarity with basic finance and accounting practices and an ability to read and understand financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. Committee members, if they or the Board of Directors deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm.

III. Responsibilities

The responsibilities of the Audit Committee shall generally include, but not be restricted to, undertaking the following:

Selection and Evaluation of Auditors

- (a) Recommending to the Board of Directors the external auditors (subject to shareholder approval) to be engaged to prepare or issue an auditor's report or performing other audit, review or attest services for the Corporation and the compensation of such external auditors.
- (b) Overseeing the independence of the Corporation's auditors and taking such actions as it may deem necessary to satisfy it that the Corporation's auditors are independent within the meaning of applicable securities laws by, among other things: (i) requiring the independent auditors to deliver to the Committee on a periodic basis a formal written statement delineating all relationships between the independent auditors and the Corporation; and (ii) actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and taking appropriate action to satisfy itself of the auditors' independence.
- (c) Instructing the Corporation's independent auditors that: (i) they are ultimately accountable to the Committee (as representatives of the shareholders of the Corporation); (ii) they must report directly to the Committee; and (iii) the Committee is responsible for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditors.
- (d) Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required.
- (e) Reviewing and pre-approving all audit and permitted non-audit services or mandates to be provided by the independent auditors to the Corporation or any of its subsidiaries, including tax services, and the proposed basis and amount of the external auditors' fees for such services, and determining which non-audit services the auditors are prohibited from providing (and adopting specific policies and procedures related thereto).
- (f) Reviewing the performance of the Corporation's independent auditors and replacing or terminating the independent auditors (subject to required shareholder approvals) when circumstances warrant.

Oversight of Annual Audit

- (a) Reviewing and accepting, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope, extent and schedule of audit activities, and monitoring such plan's progress and results during the year.
- (b) Confirming through private discussions with the Corporation's independent auditors and the Corporation's management that no management restrictions are being placed on the scope of the independent auditors' work.
- (c) Reviewing with the external auditors any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditors regarding accounting and financial reporting.
- (d) Reviewing with management and the external auditors the results of the year-end audit of the Corporation, including: (i) the annual financial statements and the audit report, the related management representation letter, the related "Memorandum Regarding Accounting Procedures and Internal Control" or similar memorandum prepared by the Corporation's independent auditors, any other pertinent reports and management's responses concerning such memorandum; and (ii) the qualitative judgments of the independent auditors about the appropriateness and not just the acceptability of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation including any alternative treatments of financial information that have been discussed with management, the ramification of their use and the independent auditor's preferred treatment as well as any other material communications with management and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates.

Oversight of Financial Reporting Process and Internal Controls

- (a) Reviewing with management and the external auditors the annual financial statements and accompanying notes, the external auditors' report thereon and the related press release, and obtaining explanations from management on all significant variances with comparative periods, before recommending approval by the Board and the release thereof.

- (b) Reviewing with management the quarterly financial statements and any auditors' review thereof before recommending approval by the Board and the release thereof.
- (c) Reviewing and periodically assessing the adequacy of the Corporation's procedures for the Company's public disclosure of financial information extracted or derived from the Corporation's financial statements, including reviewing the financial information contained in the annual information form, management proxy circular, management's discussion and analysis, prospectuses and other documents containing similar financial information before their public disclosure or filing with regulatory authorities, including the audit committee's report for inclusion in the Corporation's management information circular in accordance with applicable rules and regulations.
- (d) Periodically reviewing the Corporation's disclosure policy to ensure that it conforms with applicable legal and regulatory requirements.
- (e) Reviewing the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures through inquiry and discussions with the Corporation's independent auditors and management of the Corporation.
- (f) Monitoring the quality and integrity of the Corporation's disclosure controls and procedures and management information systems through discussions with management and the external auditors.
- (g) Overseeing management's reporting on internal controls and disclosure controls and procedures.
- (h) Reviewing on a regular basis and monitoring the Corporation's policies and guidelines which govern the Corporation's risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including hedging policies through the use of financial derivatives.
- (i) Establishing and maintaining free and open means of communication between and among the Board of Directors, the Committee, the Corporation's independent auditors and management.

Other Matters

- (a) Assisting the Board with oversight of the Corporation's compliance with applicable legal and regulatory requirements, including meeting with general counsel and outside counsel when appropriate to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation.
- (b) Reviewing and approving any transactions between the Corporation and members of management and/or the Board as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditors.
- (c) Conducting or authorising investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts as the Committee determines necessary to carry out its duties and to set and pay the compensation for these advisors.
- (d) Establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (e) Establishing procedures for the review and approval of financial and related information of the Corporation.
- (f) Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (g) Performing such additional activities, and considering such other matters, within the scope of its responsibilities, as the Committee or the Board of Directors deems necessary or appropriate.

IV. Meetings and Advisors

The Committee will meet as often as it deems necessary or appropriate to perform its duties and carry out its responsibilities described above in a timely manner, but not less than quarterly. The quorum at any meeting of the Committee shall be a majority of its members. All such meetings shall be held pursuant to the By-Laws of the Corporation with regard to notice and waiver thereof.

The Audit Committee shall meet on a regular basis without management or the external auditors. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. As part of its purpose to foster open communications, the Committee shall meet at least annually, and more frequently as required, with management and the Corporation's independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately. The independent auditors will have direct access to the Committee at their own initiative. The Chairman should work with the Chief Financial Officer and management to establish the agenda for Committee meetings.

Written minutes of each meeting of the Committee shall be filed in the Corporation's records. The Chairman of the Committee will report periodically to the Board of Directors.

The Committee shall, in appropriate circumstances and subject to advising the Chairman of the Board, have the authority to engage and obtain advice and assistance from advisors, including independent or outside legal counsel and accountants, as it determines is necessary or appropriate to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of any compensation (i) to any independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, and (ii) to any independent advisors employed by the Committee.

V. Disclosure of Charter

This charter shall be published in the Corporation's annual information form or information circular as required by applicable securities laws.

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While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.

Nothing contained in this charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee.