

27 April 2012

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March Quarter report to Shareholders

Summary Highlights

- **Lawson Gold has initiated a transaction with Mawarid Investments Limited to acquire a controlling stake in gold, copper and base metal exploration assets in the Kingdom of Saudi Arabia (KSA).**
- **Proposed capital raising of a minimum A\$15 million to accelerate exploration on high priority targets in the KSA.**
- **To demerge its existing Kalgoorlie, Western Australia assets into a new exploration company together with \$2.2M cash.**
- **Expected completion of the transaction mid to late July.**
- **Exploration activities in Western Australia continue with granting of new tenements P27/2075-2078.**

Corporate Activity:

Lawson Gold Limited ("ASX:LSN "or Company) has signed a binding term sheet with Saudi Arabian company Mawarid Investments Limited (Mawarid) to acquire a controlling stake in a large portfolio of gold, copper and base metal exploration assets in the Kingdom of Saudi Arabia (refer Figure 1 and ASX announcement 2 April 2012)

The transaction requires formal documentation and is subject to a number of conditions and shareholder and regulatory approvals. LSN shareholders will receive more details in the coming months including a notice of meeting and explanatory memorandum, independent expert reports and a prospectus.

Negotiations have commenced with a financier to raise the minimum initial funding requirement of A\$15 million at 20c per share on standard commercial terms. LSN shareholders will be given a priority entitlement to subscribe for the new shares. Funds will be utilised to accelerate exploration on a number of high priority targets on the 2,247 km² tenement package in Saudi Arabia.

Fast Facts - April 2012

Share Code	ASX : LSN
Shares on Issue	24.9 million
Options	<u>0.9 million</u>
Fully Diluted	25.8 million
Debt	nil
Market Cap	\$4.0 million
Cash at Bank	\$2.1 million
as at 31 March 2012	

Directors & Management

David Hillier	Chairman
David Turvey	Director
Peter Watson	N E Director
Donald Stephens	Co. Secretary

Top Shareholders

JP Morgan Nominees	13.6%
John Nyvlt	10.0%
First Samuel	7.0%
FerrAus Limited	6.0%

Project Location

- * 45 km NE of Kalgoorlie
- * 20 km N of Kanowna
- * 4 km W of Silver Swan
- * 25 km from Paddington

Lawson Gold Project

- * Land package ~58sqkm
- * 4 x New PL's granted
- * Soil sampling planned
- * Technical evaluation of nearby ground and JV opportunities
- * Activities for June quarter:
 - Prepare POW's
 - Aboriginal heritage surveys
 - Soil sampling new gold targets
 - Planning Aircore / RAB drilling

Further Information

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c/. Collins St Media

Lawson Gold will be transformed into an Arabian-Nubian Shield focused gold and base metals exploration company. The Arabian-Nubian Shield is host to a number of significant mines including the ~10 million ounce Sukari gold mine in Egypt owned by Centamin plc and the Jabal Sayid high-grade copper deposit in Saudi Arabia now owned by Barrick Gold. LSN will manage the exploration programme in Saudi Arabia with a US\$8m Year 1 spend.

Marawid Investments Limited is the investment arm of the Mawarid Group, a long-established privately owned Saudi Arabian group of companies. The Group has worldwide investments and has interests in or owns & operates over twenty publicly listed and private companies in the Middle East with diverse commercial activities in media, telecommunications, financial services, manufacturing, healthcare, agriculture, trading, insurance, real estate, food and catering. The Group is looking to rapidly develop the attractive portfolio of mineral exploration licences held by one of its subsidiaries, Mawarid Energy and Mining Company (MEMC)

Update - Western Australia

During the March quarter, the Company continued with gold exploration at the Lawson Gold Project located approximately 20km north of Kanowna near Kalgoorlie, Western Australia (refer Figure 2).

Lawson Gold has been granted four (4) Prospecting Licenses (P27/2075-2078) contiguous with its previous tenements. Applications for these prospecting licenses was based on their exploration potential and targets identified in the regional geological interpretation by Southern Geoscience Consultants in early 2012. Additional ground in the nearby area has been assessed in a similar way in an ongoing effort to increase the Company's exploration footprint.

Reconnaissance auger soil sampling and aircore drilling programmes have been planned to evaluate the new prospecting license areas and gold exploration targets.

Technical evaluation was completed on several projects owned by other parties in the Kalgoorlie region.

Exploration activities planned for April - June 2012 include:

- Establish the "best routes and methods" for access to Prospecting Licenses 27/2075-2078
- Prepare and submit Program of Works (POWs) to WA Department of Minerals & Petroleum (DMP)
- Conduct Aboriginal Heritage surveys (if required by POW approval)
- Complete surface or auger soil sampling to evaluate new tenements and gold exploration targets.
- Planning of follow-up aircore &/or RAB drilling programs

Additional focus during this period will remain on evaluating and negotiating growth opportunities by way of joint venture, acquisition and other corporate activity which have presented, or as they present, themselves.

Further information:

David Hillier (Chairman) on 08 8418 8541 or 0408 236 408

David Turvey (Executive Director) on 08 8418 8568 or 0416 119 583

Media enquiries to:

Simon Jemison - Collins Street Media on 03 9224 5319 or 0408 004 848

Competent Persons Statement:

The exploration results reported here are based on information compiled by David Turvey (BSc. Hons) who is a member of the Australian Institute of Mining and Metallurgy, and who is a Director of Lawson Gold Limited. He has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2004 Edition". He consents to the inclusion in this announcement on the information compiled by him in the form and context in which it appears.

Lawson Gold Limited has not yet reported Mineral Resources from exploration of targets or named prospects on its project area. Any discussion in relation to exploration potential or targets or potential gold mineralisation is only conceptual in nature and it is uncertain if further exploration will result in determination of a Mineral Resource.

This release may include forward-looking statements that are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Lawson Gold Limited, that could cause actual results to differ materially from such statements. Lawson Gold Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

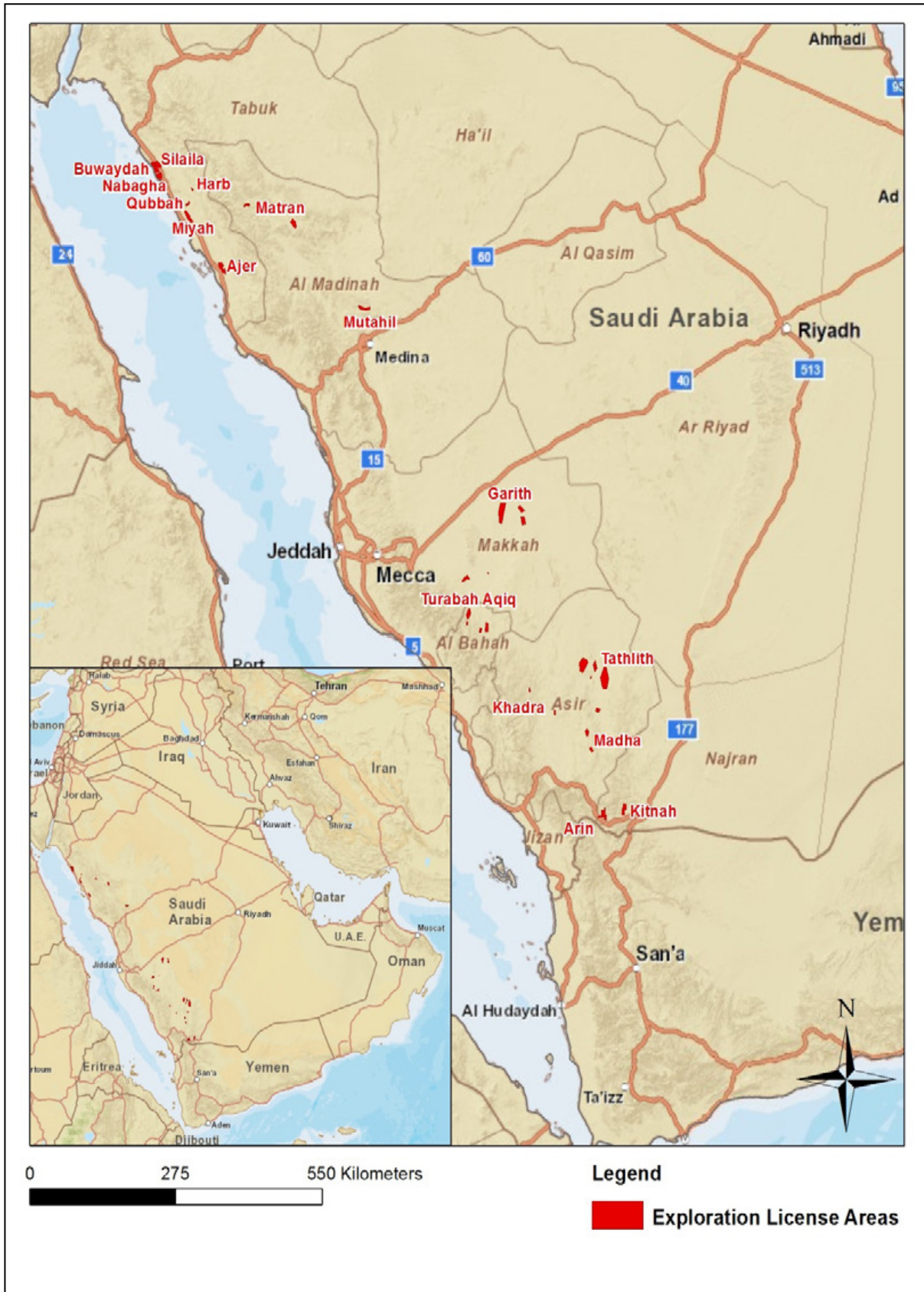


Figure 1: Location Plan - Exploration License Areas
Mawarid Energy and Mining Company (MEMC), Kingdom of Saudi Arabia

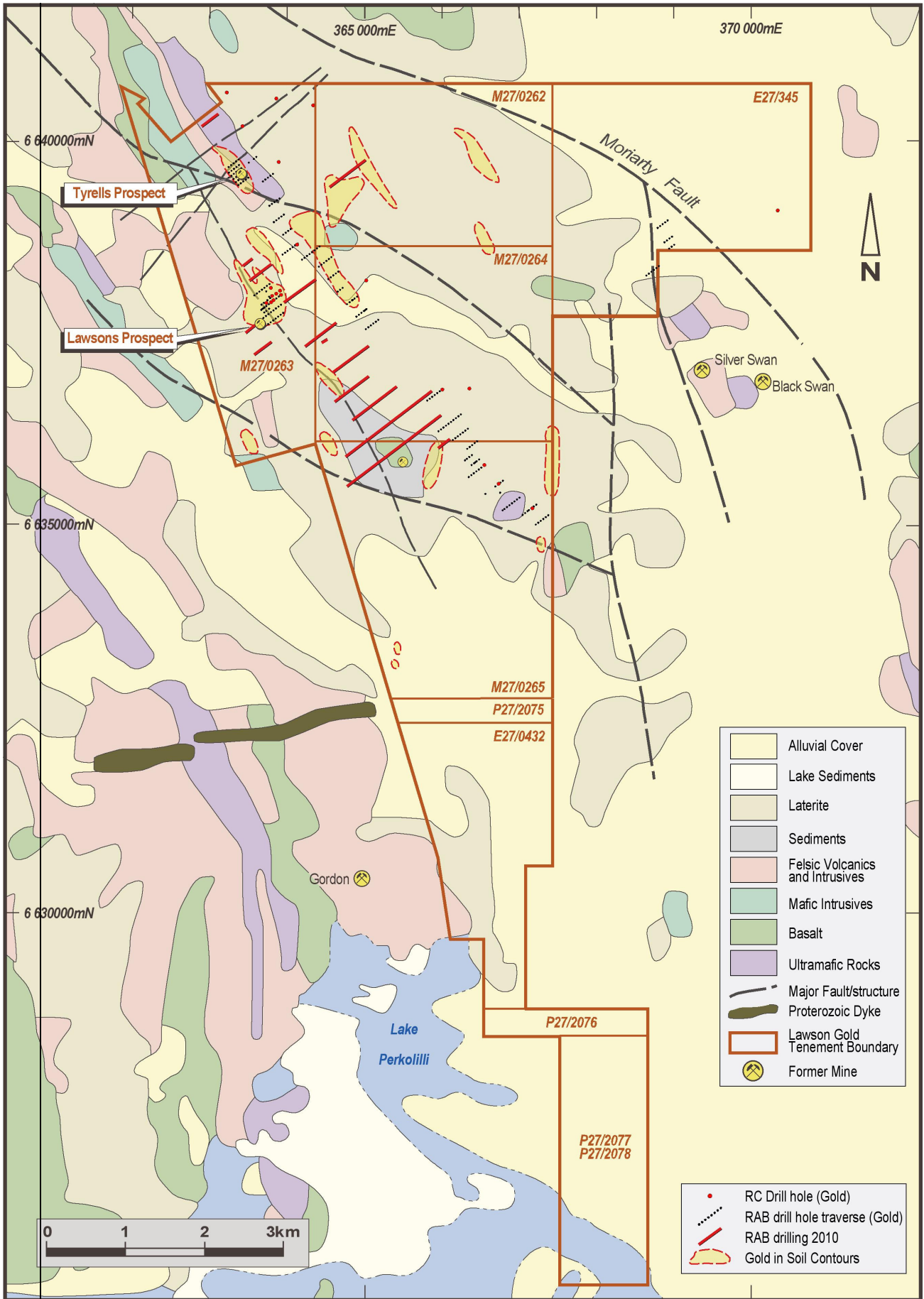


Figure 2: Location Plan and Geological Interpretation - Lawson Gold Project, Western Australia.