

31 January 2013

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December Quarter report to Shareholders

Summary Highlights

- **Lawson Gold’s transaction to acquire a controlling stake in gold, copper and base metal exploration assets in the Kingdom of Saudi Arabia (KSA) and demerge its existing Kalgoorlie assets into a new exploration company together with \$2.2M cash has progressed, albeit slowly.**
- **Results of calls for expressions of interest in a proposed capital raising of a minimum A\$15 million to fund exploration in the KSA are due shortly.**
- **Exploration activities in Western Australia continue with review of exploration potential of nearby projects and current gold targets.**

Corporate Activity:

During the quarter Lawson Gold Limited (ASX:LSN or Company) continued negotiations with Saudi Arabian company Mawarid Investments Limited (Mawarid) and potential financiers 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).

As announced on 11 December 2012 the agreements signed on 5 August 2012 have expired due to the effluxion of time, with a number of conditions precedent outstanding. However, the parties continue to work together and have largely resolved the commercial terms between them. The principal matter outstanding is confirmation of the ability to raise a minimum of \$15million to fund the initial stages of the exploration program. Notwithstanding the quality of the exploration ground (see the announcement of 2 April 2012 for a summary of advanced targets and the independent report by Coffey Mining referred to below) and that drilling is scheduled to commence in March, Australian interest in large scale investment in this undertaking has been poor and the bulk of financing is likely to come from Middle Eastern sources familiar with the investment climate in that part of the world.

Fast Facts - January 2013

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	\$2.5 million
Cash at Bank	\$0.87million
as at 31 December 2012	

Directors & Management

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

Top Shareholders

John Nyvlt	10.0%
JP Morgan Nominees	6.1%
First Samuel	6.0%
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 ~72sqkm
- * Activities for March quarter:
Conduct RC drilling on the Lawsons Prospect
Geochemical orientation and soil sampling surveys planned
Prepare POW’s and conduct Aboriginal heritage surveys
Planning aircore / RAB drilling

Further Information

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c/. Collins St Media

At the invitation of Mawarid LSN has already commenced assisting with management of the exploration program ahead of assuming full management responsibility upon settlement of the transaction. The primary focus is on having the most advanced and prospective gold targets (Mulhal Au-Cu, and Lugatah Au) ready to drill immediately funds are available, and on ensuring that sufficient work is completed to maximise the chances of renewal of those licences deemed most prospective.

Due to the limited time in which the licences must be evaluated the parties have made funding available and three senior geologists have been recruited to the task on a short term contract basis. The amounts contributed by Lawson Gold for pre-completion activities are refundable in the event completion of the transaction is not achieved.

The Independent Technical Report to Lawson Gold shareholders on the Saudi exploration licences has been completed by Coffey Mining and is available on the company's website. The report highlights the diversity and prospectivity of the portfolio of 16 licences which are to be the subject of the joint venture.

Lawson Gold has deferred the holding of a shareholders meeting until the capital raising process is more certain. LSN shareholders will be given a priority entitlement to subscribe for the new shares. The Company confirms that the demerger of its existing WA assets and cash remains an integral part of the transaction.

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 and 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.

Update - Western Australia

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

Exploration data on the Lawsons and Tyrells Prospects was reviewed to determine the potential for an economic gold resource (ie. target size and orientation). An RC drilling program was recommended to test the strike extension of gold mineralisation at the Lawsons Prospect.

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

Lawson Gold continues to assess the exploration potential of nearby ground and projects based on the geological interpretation by Southern Geoscience Consultants in early 2012. Technical evaluation was completed on pending or recently relinquished tenements and on several projects owned by other parties in the Kalgoorlie region. No new applications were made during the December quarter, though additional ground may be acquired or applied for where deemed prospective in an ongoing effort to increase and "add-value" to the Company's exploration portfolio.

Exploration activities planned for January - March 2013 include:

- Subject to budget approval and statutory permitting, conduct RC drilling at the Lawsons Prospect to determine the potential for an economic gold resource.
- Conduct orientation geochemical surveys and geomorphology mapping to establish the "best exploration and sampling methods" in areas of extensive transported cover, especially Exploration License 27/0432 and 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 and/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.

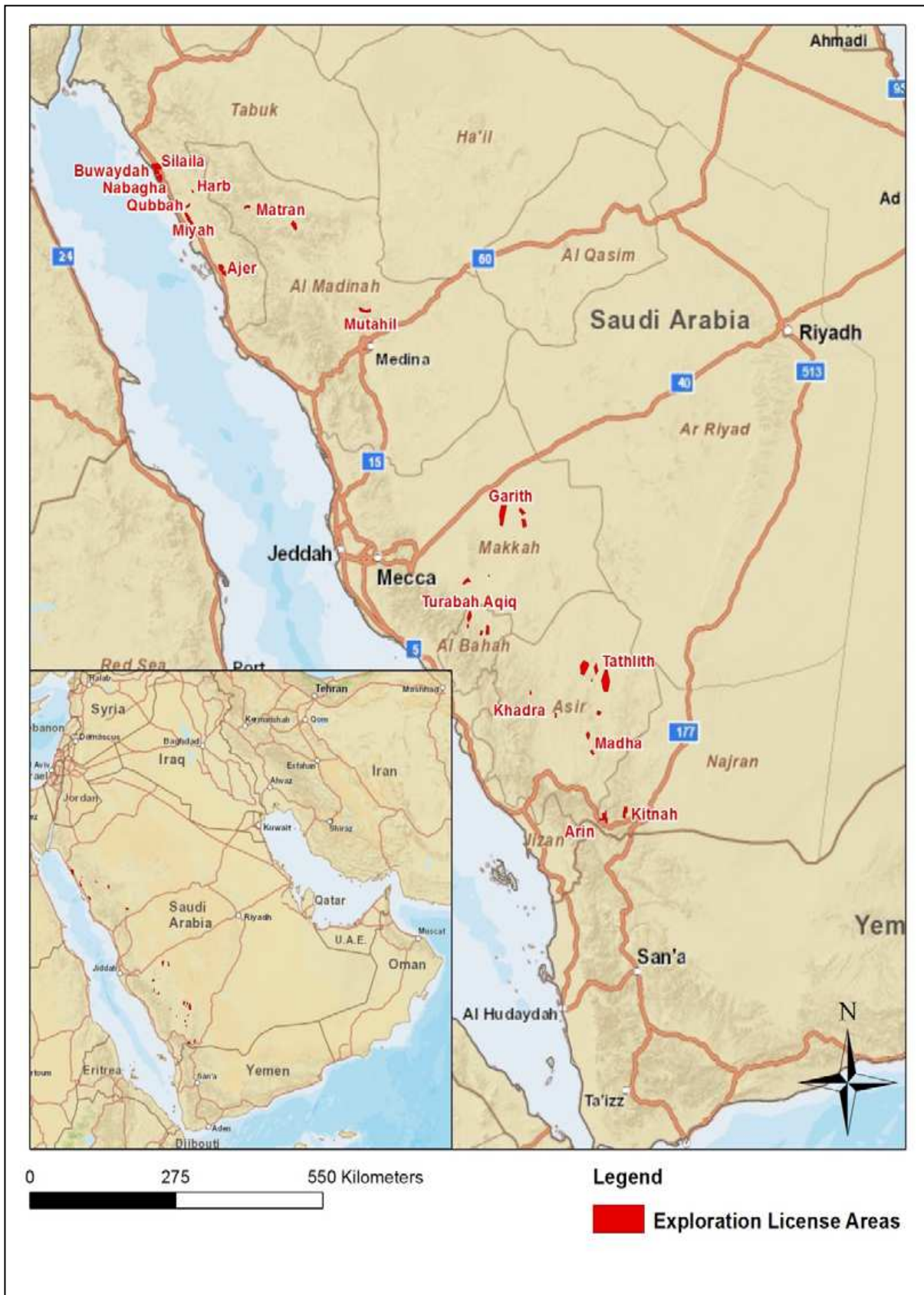


Figure 1: Location Plan - Exploration License Areas
Mawarid Energy and Mining Company (MEMC), Kingdom of Saudi Arabia

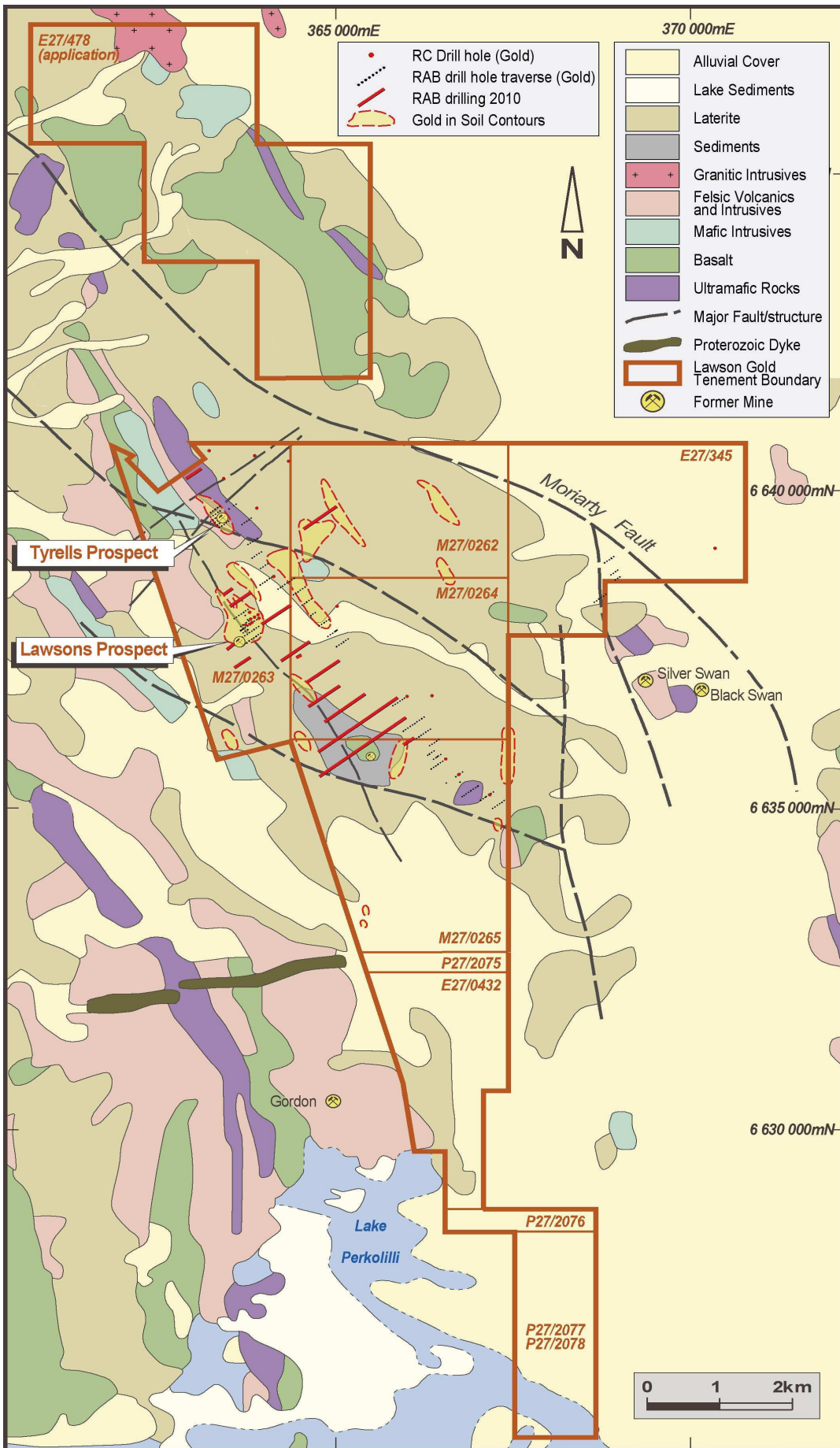


Figure 2: Location Plan and Geological Interpretation - Lawson Gold Project, Western Australia.