ELECTROMAGNETIC DRILL TARGETS IDENTIFIED FOR NICKEL

Highlights

- An appraisal of an historical 2008 ground electro-magnetic (EM) geophysical survey conducted on Lawson Gold Ltd's ground holdings has highlighted 6 conductive targets that have not been drill tested (Table 1).
- The anomalies are associated with prospective Archean ultramafic host rocks and occur in close proximity to the Black Swan Nickel and Silver Swan Nickel deposits (Figure 2).
- All EM responses are conductive enough to be caused by nickel sulphide and as such warrant drill testing.

The ground EM geophysical survey was the last campaign of works conducted by the Mithril Resources Ltd/BHPB Alliance Joint Venture with FerrAus Ltd. In 2009 BHPB and Mithril Resources Ltd withdrew from the project to concentrate on other projects without testing the targets. With the subsequent spin out of the tenements into Lawson Gold Ltd from FerrAus Ltd, the exploration that followed from 2010 focused on the gold potential due mainly to a weaker nickel and a stronger gold price and as a result the nickel EM targets have remained un-tested.

The EM survey comprises a single northeast-southwest orientated line with 32 soundings, collected at the silver Swan North Prospect (Figure 1) and a grid of 12 east-west lines on the Silver Swan Northeast Prospect for a total of 474 soundings (Figure 2). The Northeast Prospect area is within 2km and along geological strike, to the Silver Swan and Black Swan Deposits (Figure 1) which contain approximately 185,000t nickel (production and resources). The survey was conducted by Absolute Geophysics using their cutting edge total field EM system. The purpose of the survey was to identify potential nickel mineralization which is typically hosted in massive sulphides and is therefore conductive. A summary table of the 6 EM targets and description of the best four anomalies, Silver Swan North, Southeastern 1 and 2 and Northern, are described in more detail below.

Target	Depth (metres)	Strike Length / Depth Extent (metres)	Dip/Dip Direction (deg.)	Conductivity/Thickness (siemens/metre (S/m))
Silver Swan North	155	1000 / 700	70 / 60	6000
Southeastern 1	320	300 / 100	32.5 / 87.5	25000
Southeastern 2	320	200 / 150	35 / 87.5	5000
Southwestern 1	170	800 / 200	70 / 100	700
Southwestern 2	170	600 / 200	78 / 85	800
Northern	170	500 / 210	90 / 73	1200

Table 1 – Lawson Project High Priority EM Targets.

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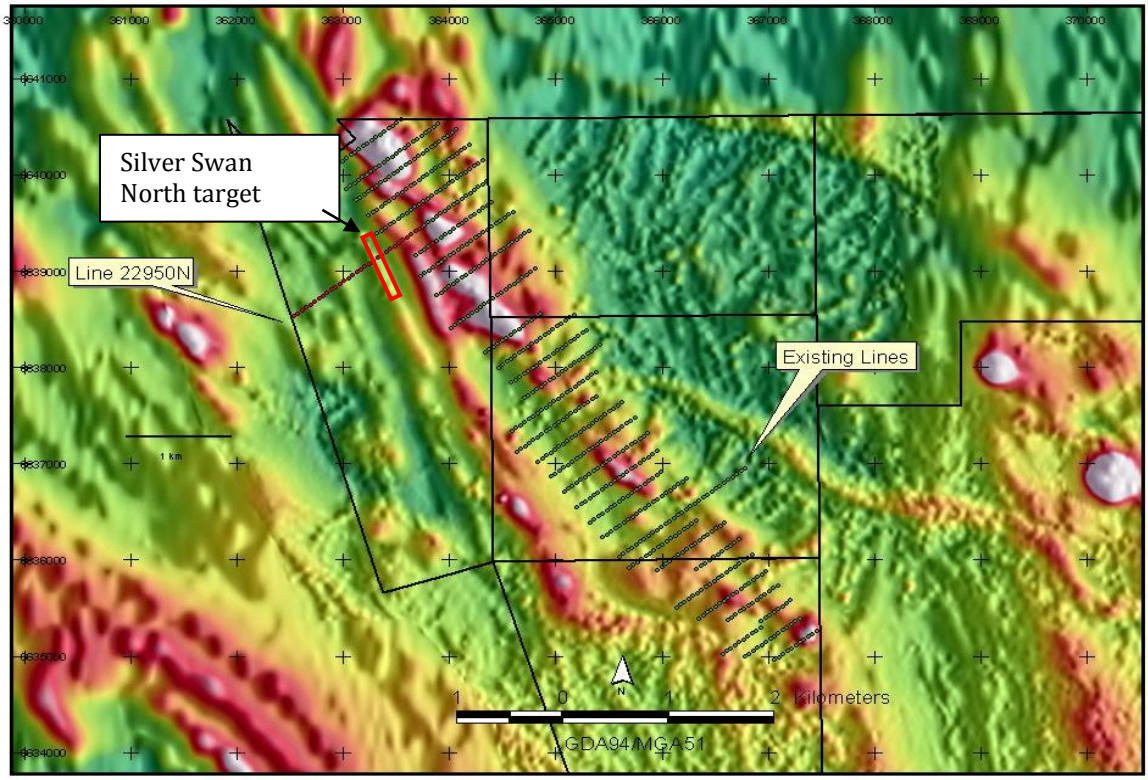

Figure 1 Location of Silver Swan North 2008 ground EM line (red) and earlier EM Survey lines (green) on a pseudo colour reduced to pole aeromagnetic image.

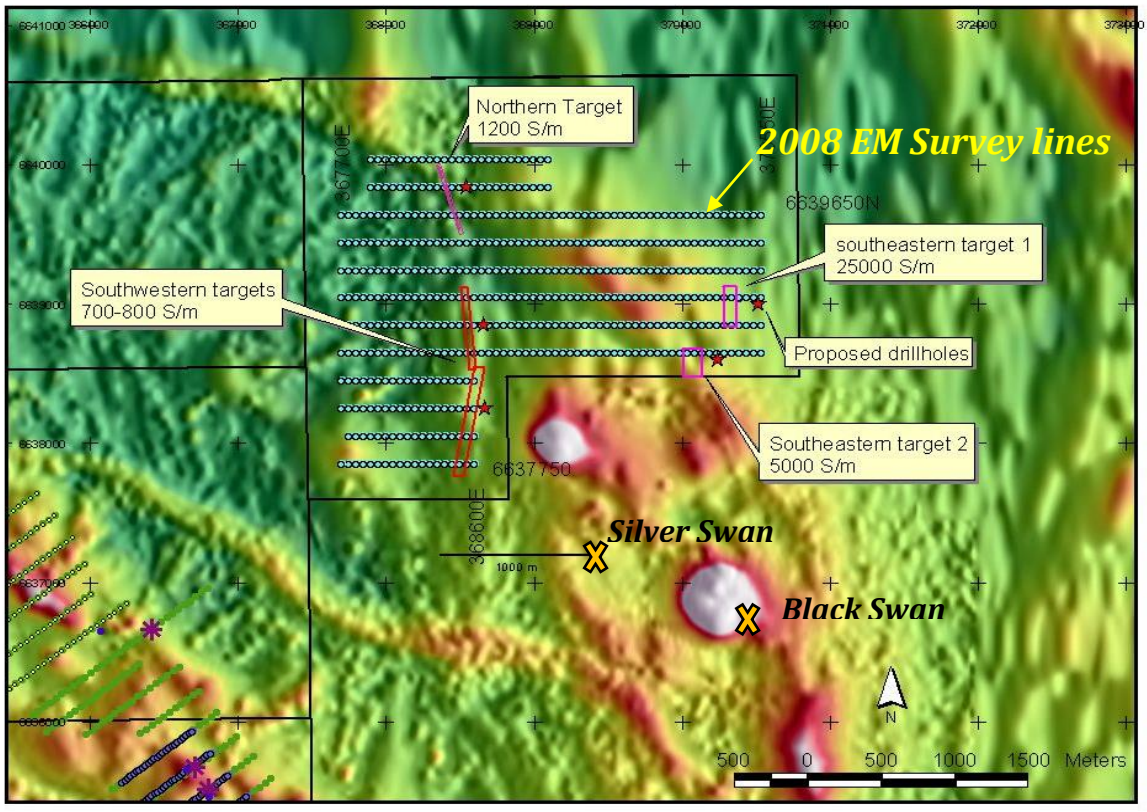

Figure 2 Plan map of Silver Swan Northeast ground EM targets on a pseudo colour reduced to pole aeromagnetic image.

Target - Silver Swan North

Modelling of this response indicates a conductive body at a depth of 155 metres. The modelled dip of the body is 70 degrees and from the previous ground EM data which picked up the eastern margin of this response (green survey lines (Figure 1)), the strike extent is long and is expected to be over 1 km. The conductivity thickness product of this body is modelled at 6000 S/m. The body is oriented to the northwest and has a long modelled depth extent of some 700 metres.

Target - Southeastern1

Target southeastern 1 is the highest conductivity target with a conductivity thickness product of 25,000 S/m. Modelling of this response indicated a highly conductive, shallowly dipping target at a depth of some 320 metres with strike length of 30 metres and a depth extent of 100 metres striking north-south. Mithril Resources Ltd previously attempted to drill this target in 2007 based on an earlier EM survey however did not intersect the source of the anomaly and were not able to conduct down hole EM due to a blockage in the hole. The new data suggests the original hole was drilled over the top of the target and too far to the west.

Target - Southeastern 2

Target southeastern 2 is located 250 metres southwest of southeastern target 1. The response can be observed on the southernmost line on the survey and is therefore open to the south. Modelling of this response indicates this target is similar to the southeastern 1 target in orientation and depth however is less conductive. The lower modelled conductivity may be due to a lack of data to the south where the conductor is expected to pass onto the Black Swan lease. This target lies on the edge of a linear magnetic feature which probably marks the edge of an intrusive body.

Target - Northern Target

The northern target lies 600 metres north of southwestern 2. Modelling of this response indicates a vertically dipping target at a depth of 170 metres below the surface, striking in a NNW orientation. The target has a modelled strike length and depth extent of 500 metres and 210 metres respectively. The modelled conductivity-thickness product of this target is 1200 S/m and it lies on the edge of a linear magnetic feature marking the edge of an interpreted intrusive body.

The 2008 ground EM surveys identified 6 conductive targets which are untested. All responses are conductive enough to be caused by nickel sulphide and as such warrant drill testing. The southeastern targets are clearly of most interest as they lie not far from the Black Swan mine and the Silver Swan deposits themselves. The company is currently working on strategies to finance drilling of these targets.

Competent Persons Statement:

Information in this report that relates to exploration results, is based on information compiled by Peter Reid (BSc Hons.) who is an executive director of the Company and a member of the Australasian Institute of Mining and Metallurgy. 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 report on the information compiled by him in the form and context in which it appears.