

LAWSON

GOLD LIMITED

ACN 141 804 104

Prospectus

Prospectus for the Offer of 15,000,000 ordinary Shares at an Offer Price of 20 cents each to raise \$3,000,000 with the right to accept over-subscriptions of up to \$2,000,000.

Important Information

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisors.

**THE SHARES OFFERED BY THIS PROSPECTUS
ARE OF A SPECULATIVE NATURE.**



Corporate Directory

Directors

David Hillier (proposed Chairman post listing)

David Turvey (Executive Director)

Peter Watson (Non-Executive Director)

Non-Continuing Directors

John Nyvt

Mike Amundsen

Rob Greenslade

Company Secretary

Donald Stephens

Registered and Principal Office

Ground Floor, 60 Hindmarsh Square

Adelaide, South Australia 5000

Telephone: +61 8 8418 8541

Facsimile: 08 8215 0337

Website: www.lawsongold.com

Email: enquire@lawsongold.com

ASX Code: LSN

Share Registrar

Computershare Investor Services Pty Limited

Level 5, 115 Grenfell Street

Adelaide SA 5000

GPO Box 1903, Adelaide SA 5001

Enquiries (within Australia): 1300 084 160

Enquiries (outside Australia): +61 3 9415 4655

Corporate Advisors to the Company

Gryphon Partners Pty Ltd

Level 10, 81 Flinders Street

Adelaide SA 5000

Investigating Accountants

PKF Corporate (SA) Pty Ltd

Level 2, 139 Frome Street

Adelaide SA 5000

Auditors

Grant Thornton Audit Pty Ltd

Level 1, 67 Greenhill Road

Wayville SA 5034

Solicitors to the Company

Watsons Lawyers

Ground Floor, 60 Hindmarsh Square

Adelaide SA 5000

Hardy Bowen Lawyers

Level 1, 28 Ord Street

West Perth WA 6005

Independent Geologist

Malcolm Castle

P.O. Box 473

South Perth WA 6951

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Key Information

Offer

15,000,000 Shares at \$0.20 each to raise \$3,000,000 with the right to accept over-subscriptions of \$2,000,000.

Opening Date	Monday 7 June 2010
Priority Offer Closing Date	Friday 18 June 2010
Closing Date	Friday 2 July 2010
Anticipated commencement of trading on ASX	Tuesday 20 July 2010

The above dates are indicative only and may be altered by the Company without notice.

Share Capital

	Minimum Subscription	Maximum Subscription
Shares on Issue	1,500,001	1,500,001
Shares to be Issued under the Offer	15,000,000	25,000,000
Total Shares on Issue on commencement of trading on ASX	16,500,001	26,500,001

Key Investment Risks

Exploration and Development	<ul style="list-style-type: none"> The Company's proposed exploration programs may not result in exploration success. Should a discovery be made, there is no guarantee that it will be commercially viable.
Development and Acquisition Opportunities	<ul style="list-style-type: none"> The Company may be unable to secure additional high quality projects, thereby potentially limiting the future growth of the Company. If the Company only holds a limited number of project interests, poor performance could severely impact the performance of the Company.
Dependence on Key Personnel	<ul style="list-style-type: none"> The Company's success depends to a significant extent on the consultants engaged to provide key management services to the Company. Inability to secure a senior geologist/project manager with the proper qualifications or the loss of the services of certain consultants or key personnel of those consultants could have an adverse effect upon the Company and its activities. If there is any delay in securing a senior geologist/project manager following the listing of the Company on the ASX, the Company's exploration program may be delayed until such personnel is secured.
Operating Risks	<ul style="list-style-type: none"> The operations of the Company may be affected by operational and technical difficulties encountered in exploration or mining including those leading to an inability to mine, difficulties commissioning and operating plant and equipment, mechanical failure or plant break down, and unexpected shortages or increases in the costs of consumables, spare parts and plant and equipment.
Land Access	<ul style="list-style-type: none"> Native title and Aboriginal land rights may affect the Company's ability to gain access to prospective exploration areas or obtain production rights.
Environmental Risks	<ul style="list-style-type: none"> There are environmental risks inherent in the Company's operations, particularly if mine development proceeds. The Company will require approval from the relevant authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain those approvals it will be prevented from undertaking those activities.
Development Capital	<ul style="list-style-type: none"> Inability to secure additional financing as needed in the future may limit or impact upon the Company's exploration programs or activities.
General Economic Factors	<ul style="list-style-type: none"> The general economic outlook and fluctuations in commodity prices, exchange rates and interest rates, may impact upon the Company and its share price.
Speculative Nature of Investment	<ul style="list-style-type: none"> Investment in the Company is speculative and there is no guarantee with respect to payment of dividends, returns of capital, or the market value of the Shares.

The above information is a summary of the key risks only and is explained more fully in Section 4.

Investment Highlights

Focussed Gold Exploration	<ul style="list-style-type: none"> Lawson Gold has been established as a dedicated exploration Company with an initial focus on the discovery of an economic gold resource at its 100% owned Lawson Gold Project.
Favourable Location and Geology	<ul style="list-style-type: none"> The Lawson Gold Project is located in the world famous Kalgoorlie goldfields, Western Australia and is near significant gold deposits and gold mines including Paddington and Kanowna Belle. The Project area has a geological setting that is similar to the Kanowna Belle deposit.
Drill Ready Targets	<ul style="list-style-type: none"> Drill ready prospects have been identified and a 2 year drilling programme targeting the discovery of a Kanowna Belle style gold deposit has been developed. Despite the location and the presence of gold anomalies at the Project, there has not previously been a focused and committed effort towards gold exploration.
Advanced Tenure	<ul style="list-style-type: none"> The Lawson Gold Project area includes four Mining Leases. The highest priority exploration targets at the Project are located within these Mining Leases. The holding of Mining Leases will expedite the development of any economic gold resource that may be discovered.
Strong Leadership	<ul style="list-style-type: none"> Board and management team together have extensive corporate and exploration expertise and an understanding of the Project. The team is well positioned to pursue a wide range of opportunities.

The above information is explained more fully in this Prospectus.

Important Information

This Replacement Prospectus ("Prospectus") for Lawson Gold Limited ("Lawson Gold" or "the Company") is dated 13 May 2010 and was lodged with ASIC on that date. It replaces the prospectus lodged by the Company with ASIC on 30 April 2010 ("Original Prospectus"). Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer.

Distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law, and persons who come into possession of this Prospectus should seek advice on, and observe, any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is important that you read this Prospectus carefully and in its entirety and seek professional advice where necessary before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors that could affect the performance of the Company. If you receive a copy of this prospectus in New Zealand, you should read Section 1.20 carefully before making an Application. The Offer does not take into account your investment objectives, financial situation and particular needs. Accordingly, you should carefully consider the risk factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Shares the subject of this Prospectus are speculative.

This Prospectus contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements, particularly those statements in respect of the future prospects of the Company. Potential investors should note that those forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the anticipated values, performance or achievements expressed or implied in such forward-looking statements. The forward looking statements in this Prospectus reflect views held only as at the date of this Prospectus. The Company does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

No person is authorised to provide any information or make any representation in connection with the Offer contained in this Prospectus which is not contained in this Prospectus.

Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the Internet at www.lawsongold.com. The Offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by email at enquire@lawsongold.com.

Exposure Period

In accordance with Chapter 6D of the Corporations Act the Original Prospectus was subject to an exposure period of 7 days from the date of lodgement with ASIC. The purpose of the exposure period is to enable the Original Prospectus to be examined by market participants prior to the raising of funds. No Applications were received during the exposure period. All Applications received prior to the Opening Date will be treated as if they were simultaneously received on the Opening Date.

Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Certain words and expressions used in this Prospectus have defined meanings which are explained in the Glossary section of this Prospectus.

How to Apply (Full details provided in Section 1.9)

Priority Entitlement

If you are a FerrAus shareholder as at the Priority Record Date (31 May 2010), you must use the separate and personalised blue Priority Application Form sent to you with the Prospectus in order to be included in the Priority Offer.

Public Offer

Any person, including a FerrAus shareholder, is welcome to complete the Public Application Form attached at the back of this Prospectus.

Letter to Investors

Dear Investor,

On behalf of the Directors, I am pleased to present this Prospectus for Lawson Gold Limited and to offer you the opportunity to become a shareholder in the Company.

Lawson Gold has been established by its parent, FerrAus Limited, as a gold exploration company predominantly focussed on the discovery of economic gold resources at its Lawson Gold Project located in the Kalgoorlie goldfields. A recent review of the Project by FerrAus highlighted a number of gold exploration targets combined with a geological setting that was considered to have the potential to host significant gold mineralisation. As a result of this review, the Directors of FerrAus resolved to form a separate vehicle, Lawson Gold, with appropriate resources and focus to fully exploit this opportunity.

The Lawson Gold Project is situated in one of the best known gold districts in the world, with several significant gold deposits and mines located nearby, including the Paddington Gold Mine and Barrick Gold Corporation's Kanowna Belle Gold Mine. Significantly, the Project area is considered to be in a geological setting similar to the Kanowna Belle gold deposit and as such, deposits of this style will be the focus of the Company's initial exploration program.

Despite its location, there has been no committed focus on gold exploration in the Project area, which has been more actively explored for nickel and other base metals. However, previous exploration has identified a number of gold anomalies that remain largely untested and the Directors consider these anomalies represent an attractive opportunity. They will be the focus of a targeted drilling campaign aimed at discovering significant gold mineralisation in as short a time as possible. Given that the majority of the Project tenure, including that portion containing the highest priority exploration targets comprises Mining Leases, the Company is well placed to rapidly advance any economic discovery towards development.

The Company may also undertake project generation activities if suitable opportunities, that could lead to additional gold exploration and development opportunities in the resources industry, arise.

Up to 25 million Shares are being offered under this Prospectus at a price of \$0.20, to raise up to \$5,000,000. Eligible FerrAus Shareholders will receive an entitlement to participate in the Priority Offer. Allocation of shares under the Priority Offer will be at the Directors discretion, but consideration will be given to the order in which Applications are received as well as an Eligible FerrAus Shareholders pro-rata holding in FerrAus. The general public are also invited to participate in the Offer.

An investment in the Company should be considered speculative, and there is no assurance that exploration will be successful or that if a discovery is made, it will be commercially viable. There are also a number of other risks that may affect the Company, including those relating to development and acquisition opportunities, dependence on key personnel, operating risks, land access, environmental risks and general economic factors.

Further details of the Offer, the business of Lawson Gold and the risks associated with investment in the Company are contained within this Prospectus. I encourage you to read it carefully and completely.

My fellow Directors and I invite you to become a shareholder of Lawson Gold and participate in its exciting quest to discover economic gold deposits. We look forward to sharing with you in our future successes.

Yours sincerely,

David Hillier

Non-Executive Director and proposed Chairman post listing

1 Offer Details

1.1 The Offer

This Prospectus invites subscriptions for 15,000,000 Shares at an issue price of \$0.20 per Share to raise \$3,000,000 (Minimum Subscription). A further 10,000,000 Shares may be issued as over-subscriptions at the issue price of \$0.20 per Share, to raise an additional \$2,000,000. All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary Shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 9.4.

1.2 Key Dates

Lodgement of Prospectus	Thursday 13 May 2010
Record Date for Priority Offer	Monday 31 May 2010
Opening Date	Monday 7 June 2010
Priority Offer Closing Date	Friday 18 June 2010 (5:00pm CST)
Closing Date	Friday 2 July 2010 (5:00pm CST)
Allotment of Shares under this Prospectus	Friday 9 July 2010
Despatch of Shareholder statements	Wednesday 14 July 2010
Trading of Shares to commence on ASX	Tuesday 20 July 2010

The above dates are indicative only. The Company reserves the right to change the key dates of the Offer without prior notice which may have a consequential impact on other dates. Applicants are encouraged to submit their Applications as early as possible.

1.3 Priority Offer

The Company is offering FerrAus shareholders with a registered address in Australia or New Zealand as at 5:00pm Perth Time on Monday, 31 May 2010 (**Eligible FerrAus Shareholders**) the opportunity to subscribe for Shares in the Company through a Priority Offer.

Eligible FerrAus Shareholders who wish to apply under the Priority Offer must at least apply for the minimum entitlement of 10,000 Shares (being minimum Application Monies of \$2,000) and thereafter in multiples of 1,000 Shares.

Allocation of Shares under the Priority Offer will be entirely at the Directors' discretion. In determining allocations under the Priority Offer, Directors will consider the order in which the Applications are received (with Applications received before the Opening Date being treated as having all been received at the same time on the Opening Date) and Eligible FerrAus Shareholders' pro-rata holding in FerrAus.

Applicants under the Priority Offer should note that the Directors retain an overriding right to accept any Priority Application in full, or in respect of a lesser number of Shares than applied for or decline a Priority Application, at their discretion.

While it is the Directors' intention that as many Eligible FerrAus Shareholders as possible receive at least the minimum allocation of 10,000 Shares (\$2,000), there is no guarantee that Eligible FerrAus Shareholders will receive an allocation. Eligible FerrAus Shareholders are encouraged to submit a Priority Offer Application as soon as possible to provide themselves the best opportunity to receive an allocation.

Eligible FerrAus Shareholders who wish to subscribe for Shares pursuant to the Priority Offer must make an Application on the personalised blue Priority Application Form sent to them with this Prospectus.

Eligible FerrAus Shareholders may also apply for Shares under the Public Offer, however, there is no guarantee that any Shares will be issued under the Public Offer. See Section 1.4 for further details.

Eligible FerrAus Shareholders who use the Public Offer form will not be treated as a Priority Application.

1.4 Public Offer

Subject to the allocation policy described below, the general public are invited to participate in the Offer.

In determining allocation of Shares to be issued under the Priority Offer and the Public Offer, the Directors will consider the number of Shares applied for under the Priority Offer, the ultimate composition of the Lawson Gold share register, as well as spread requirements. It is the Directors intention to give precedence to the Priority Offer, and as such there is no guarantee that any Shares will be issued under the Public Offer.

Applicants under the Public Offer should note that the Directors retain an overriding right to accept any Public Application in full, or in respect of a lesser number of Shares than applied for or decline a Public Application, at their discretion.

1.5 Over-subscriptions

The Company reserves the right to accept over-subscriptions of up to \$2,000,000 through the issue of a further 10,000,000 Shares at an issue price of \$0.20 per Share. The maximum number of Shares which may be issued under this Prospectus is therefore 25,000,000 Shares raising a maximum of \$5,000,000 (**Maximum Subscription**).

1.6 Purpose of the Offer

The purpose of the Offer is to raise funds that are to be applied for the following purposes:

- to allow the continued exploration of the Lawson Gold Project;
- to pay the costs of the Offer;
- to fund working capital; and
- if opportunities arise and the Company can do so without prejudicing the Lawson Gold Project, to evaluate new opportunities in gold exploration and mining.

Following completion of the Offer, the Directors are of the opinion that the Company will have sufficient working capital to carry out the above objectives for a period of at least two years.

The expenditure budget for the Company for the first two years following listing is set out below.

Description	Minimum Subscription	Maximum Subscription
Sources of Funds		
Proceeds from proposed issue under this Prospectus	\$3,000,000	\$5,000,000
Total Sources	\$3,000,000	\$5,000,000
Application of Funds		
Project exploration (refer to Section 2.2.5)	\$2,000,000	\$3,600,000
Expenses of the Offer (refer to Section 9.7)	\$328,476	\$333,819
Administration and corporate expenses	\$490,000	\$490,000
Total Applications	\$2,818,476	\$4,423,819
Funds available for other initiatives	\$181,524	\$576,181

Details of the exploration programs proposed and the associated expenditures are provided in Section 2.2.5 of this Prospectus.

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from exploration and other factors (including the risk factors outlined in Section 4).

1.7 Applications for Shares

Applications must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 1,000 Shares and can only be made by completing either the Priority Offer or Public Offer Application Form (as appropriate to each Applicant's situation) sent to you with, or attached to, this Prospectus.

1.8 Proforma Capital Structure

The capital structure of the Company at completion of the Issue is set out below:

Issued Share Capital	Number of Shares	
	Minimum Subscription	Maximum Subscription
Shares issued to FerrAus	1,500,001	1,500,001
Shares Issued under the Offer	15,000,000	25,000,000
Total Issued Capital	16,500,001	26,500,001
Unlisted Options¹	900,000	900,000

¹ 400,000 Options will be granted to the Continuing Directors and 500,000 Options to consultants. Further details on the issue of Options and the Option terms and conditions are outlined in Sections 9.5 and 9.6.

1.9 How to Apply

To apply for Shares pursuant to this Prospectus, the appropriate Application Form must be completed in accordance with the instructions printed on it and must be lodged at the Company's Share Registry, on or before the Closing Date, as appropriate:

Priority Offer and Public Offer Application Forms

By post to

Lawson Gold Limited Share Offer
c/- Computershare Investor Services Pty Limited
GPO Box 1903
ADELAIDE S.A. 5001

Or delivered to

Lawson Gold Limited Share Offer
c/- Computershare Investor Services Pty Limited
Level 5
115 Grenfell Street
ADELAIDE S.A. 5000

No brokerage or stamp duty is payable by Applicants in respect of their Applications for Shares under this Prospectus. The amount payable on application will not vary during the period of the Offer and no further amount is payable on allotment.

Applications must be accompanied by payment in full in Australian currency of \$0.20 for each Share applied for. Payment must be by way of cheque or bank draft drawn on and payable on an Australian bank and should be made payable to:

"Lawson Gold Limited Float Account" and crossed **"Not Negotiable"**.

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus. A duly completed and lodged Application Form will constitute an offer by the Applicant to subscribe for the number of Shares applied for pursuant to the Application Form.

Eligible FerrAus Shareholders that apply under the Priority Offer may make payment via BPay via **an Australian financial institution**. Eligible FerrAus Shareholders that wish to pay by BPay do not need to return the Priority Application Form, they simply need to follow the BPay instructions on the Priority Application Form. Payment via BPAY will constitute an Offer by the Applicant to subscribe for the number of Shares equal to the Application Monies divided by 20 cents. Different financial institutions may implement earlier cut off times with regards to electronic payment, which must be taken into consideration when making payment. It is the Applicant's responsibility to ensure that funds submitted through BPay are received by the Priority Offer Closing Date.

BPay is not available for Applications under the Public Offer.

1.10 Minimum Subscription

The Minimum Subscription for the Offer is for 15,000,000 Shares at an issue price of \$0.20 per Share to raise \$3,000,000. If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus the Company will either refund the Application Monies in full or issue a supplementary prospectus and allow Applicants one (1) month to withdraw their Application and be repaid their Application Monies.

1.11 Allotment and Allocation of Shares

Subject to the ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as possible after the Offer is closed, following which holding statements will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell their Shares before they receive their holding statements will do so at their own risk. Pending the Issue of the Shares or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Company reserves the right not to proceed with the Offer or any part of it at any time before the allocation of the Shares to Applicants. If the Offer or any part of it is cancelled, all Application Monies, or the relevant Application Monies will be refunded as soon as practicable without interest.

If an Application is not accepted, or is accepted in part only, the Application Monies or relevant part of them will be refunded as soon as practicable. Interest will not be paid on amounts refunded.

1.12 ASX Listing

Within seven days after the date of this Prospectus, application will be made to the ASX for the Company to be admitted to the Official List and for the Shares offered by this Prospectus to be granted Quotation. If approval for Quotation is not granted within three months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer and will repay all Application Monies without any interest as soon as practicable. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

1.13 CHESS and Issuer Sponsored Holding Statements

Upon the Company being admitted to the Official List it will be permitted to participate in the Clearing House Electronic Subregister System (CHESS) operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and ASTC Settlement Rules.

Under this system, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company.

If an investor is broker sponsored, ASTC will send them a CHESS statement. The CHESS statement will set out the number of Shares allotted to the investor under the Prospectus, give details of the Shareholder's Holder Identification Number (HIN) and give the participant identification number of the sponsor.

Alternatively, if an investor is registered on the issuer sponsored subregister, the statement will be dispatched by the Share Registry and will contain the number of Shares allotted under the Prospectus and the Shareholder's Security holder Reference Number (SRN).

A CHESS statement or issuer sponsored statement will be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time however a charge may apply for additional statements.

1.14 Privacy disclosure

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities and to persons inspecting the Share register (including bidders for the Company's Shares in the context of takeovers).

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (name, address and details of the Shares held) in its public register. This information must remain in the register whilst that person is a Shareholder and for a period of 7 years after they cease to be a Shareholder of the Company. Information contained in the Company's registers is also used to facilitate distribution of payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process that Application.

1.15 Taxation

The taxation consequences of any investment in Shares will depend upon the investor's particular circumstances. It is an obligation of investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course of action you should take, you should consult your professional advisers.

1.16 Investment Risks

The Shares offered by this Prospectus are of a speculative nature. The Tenements detailed in this Prospectus are at an exploration stage without proven economic reserves. The price of Shares may rise and fall in response to the exploration and corporate activities of the Company and in response to general market activity. Further information on risk is provided in Section 4. It is recommended that potential investors consider these risks carefully before deciding whether to invest in the Company.

1.17 Forecasts

The Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future results or revenues from the Company's proposed activities. The Directors believe that given these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

1.18 Dividend Policy

The Company does not have a dividend policy and has no immediate intention to declare or distribute dividends. Payment of future dividends will depend upon the future profitability and financial position of the Company.

1.19 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, in any jurisdiction outside Australia and New Zealand.

The distribution of this Prospectus within jurisdictions outside Australia and New Zealand may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Failure to comply with these restrictions may constitute a violation of those laws.

The Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to their Application. The return of a duly completed Application Form will be taken to constitute a representation and warranty in favour of the Company that there has been no breach of any such law and that all necessary approvals and consents have been obtained.

1.20 Warning statement applicable to New Zealand investors

This Offer to New Zealand investors is a regulated Offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations.

In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offer must be made. There are differences in how securities are regulated under Australian law.

For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer.

If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf.

If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

1.21 Electronic Prospectus

This Prospectus can be downloaded at www.lawsongold.com.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's Share Registry. The Offer constituted by this Prospectus in

the electronic form is only available to persons receiving an electronic version of the Prospectus and the Application Form in Australia or New Zealand. There is no facility for on-line Applications or payment of Application Monies, other than the BPay facility available for Eligible FerrAus Shareholders (see Section 1.9).

1.22 Handling Fee

The Company will pay a handling fee of 1% in respect of Applications under the Public Offer lodged by any member organisation of ASX, or the holder of an Australian financial services licence, and accepted by the Company, provided the relevant stamp for the organisation is on the Application Form. No handling fee will be paid in respect of Applications under the Priority Offer.

2 Company Overview

2.1 Company Objectives and Strategies

Lawson Gold's principal and guiding objective is to enhance Shareholder value through the discovery and development of commercial deposits of gold and other metals and minerals. Lawson Gold is committed to the discovery and development of economic mineral resources, primarily from its Lawson Gold Project, but also potentially through investment in other opportunities. It is the present intention of the Company to explore the Lawson Gold Project areas in line with the plan described in Section 2.2.5.

2.2 Project Overview

2.2.1 Location

The Lawson Gold Project (the "Project") is located approximately 45 kilometres northeast of Kalgoorlie, Western Australia. The Project area comprises four Mining Leases (M27/262, M27/263, M27/264 and M27/265), an Exploration Licence (EL27/345) and the Exploration Licence Application (ELA27/432), which together form largely contiguous ground covering a total area of approximately 48.32 km² (see Figure 1).

The Project is situated approximately 20km to the north of the Kanowna Belle Gold Mine which commenced production in 1993 and forms part of Barrick Gold Corporation's Kanowna operation. In 2010, Barrick Gold Corporation reported that Kanowna produced 284,000 ounces of gold in 2009 and had total attributable resources and reserves¹ of over 2 million ounces of gold as at 31 December 2009. Other significant gold mining operations and historic gold deposits located near the Project include Paddington, Broad Arrow and Mulgarrie. The Project also abuts the northern boundary of the high grade Silver Swan nickel mine.

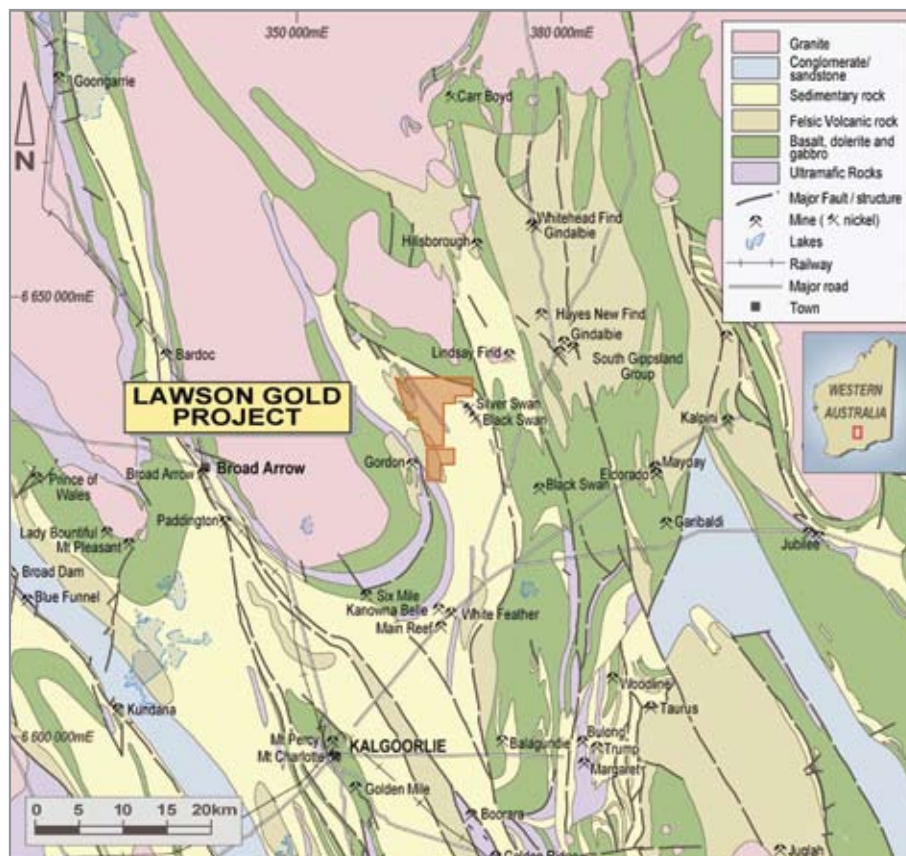


Figure 1: Location Plan and Regional Geology

¹ Reported in accordance with Canadian regulatory reporting requirements (National Instrument 43-101).

2.2.2 Exploration History

Gold

Previous exploration at the Project has focussed predominantly on nickel and other base metals. Despite the existence of a number of gold anomalies, there has been no committed and focused effort to gold exploration with only preliminary drill testing of targets. As such, the Directors believe that the Project's potential to host economically significant gold resources remains largely untested.

A summary of previous gold exploration is as follows:

Explorer	Exploration Conducted	Results Summary
Prospectors	Dry blowing and metal detection	<ul style="list-style-type: none"> Regular discovery of gold nuggets on the surface, especially after seasonal rains.
Tern Associates Pty Ltd (1980 – 1988)	Regional auger geochemical sampling	<ul style="list-style-type: none"> Gold mineralisation identified at the contact of ultramafic and quartz porphyry intrusive rocks where evidence of prospecting activity was observed. A number of geochemical anomalies highlighted, but no follow-up of targets was undertaken.
CRA Exploration Pty Ltd (1985 – 1989)	Aeromagnetic surveys and RAB drilling at a 500m by 100m spacing over a small area of the southern portion of M27/265.	<ul style="list-style-type: none"> No anomalous results reported.
Mt Kersey Mining NL (1990 – 1999)	<p>Conducted exploration for both palaeo-channel gold deposits as well as quartz vein and shear zone hosted hydrothermal gold mineralisation in mafic volcanic rocks.</p> <p>Program included geophysical and geochemical surveys and campaigns of RAB and RC drilling.</p>	<ul style="list-style-type: none"> Several soil gold anomalies were identified (one 1.5km long x 300m wide), defined by sample values of 10 to >50ppb Au. Numerous reconnaissance RAB drilling intersections containing 1-3g/t Au.
FerrAus Limited (formerly called Metals Quest Australia and then NiQuest Limited) (2000 – 2005)	<p>Conducted gold exploration to follow-up surface and near-surface anomalies identified by Mt Kersey Mining NL.</p> <p>Program included auger soil sampling, RAB and RC drilling.</p>	<ul style="list-style-type: none"> Large soil gold anomaly of approximately 4km long x 300m wide at 40ppb Au identified in M27/263. Numerous subsurface RAB drilling intersections in this same prospect area contained 1-3g/t Au. Results of follow-up deeper RC drilling contained weakly anomalous gold intersections that were interpreted as inconclusive in testing the gold potential.

In addition to the above, Lawson Gold has subsequently conducted two field trips to collect soil and rock chip samples for the purposes of both confirming previous exploration results as well as conducting exploration over new areas. Results of recent

soil sampling confirm the existence of soil gold anomalies identified by historical exploration. Results from resampling of historical RC and RAB drill holes provide Directors' with reasonable confirmation of historical drill results, taking into account the fact that the historical samples were significantly compromised due to age, exposure to elements, vehicle traffic and other human interference.

Further details on previous exploration at the Project can be found in the Section 5.

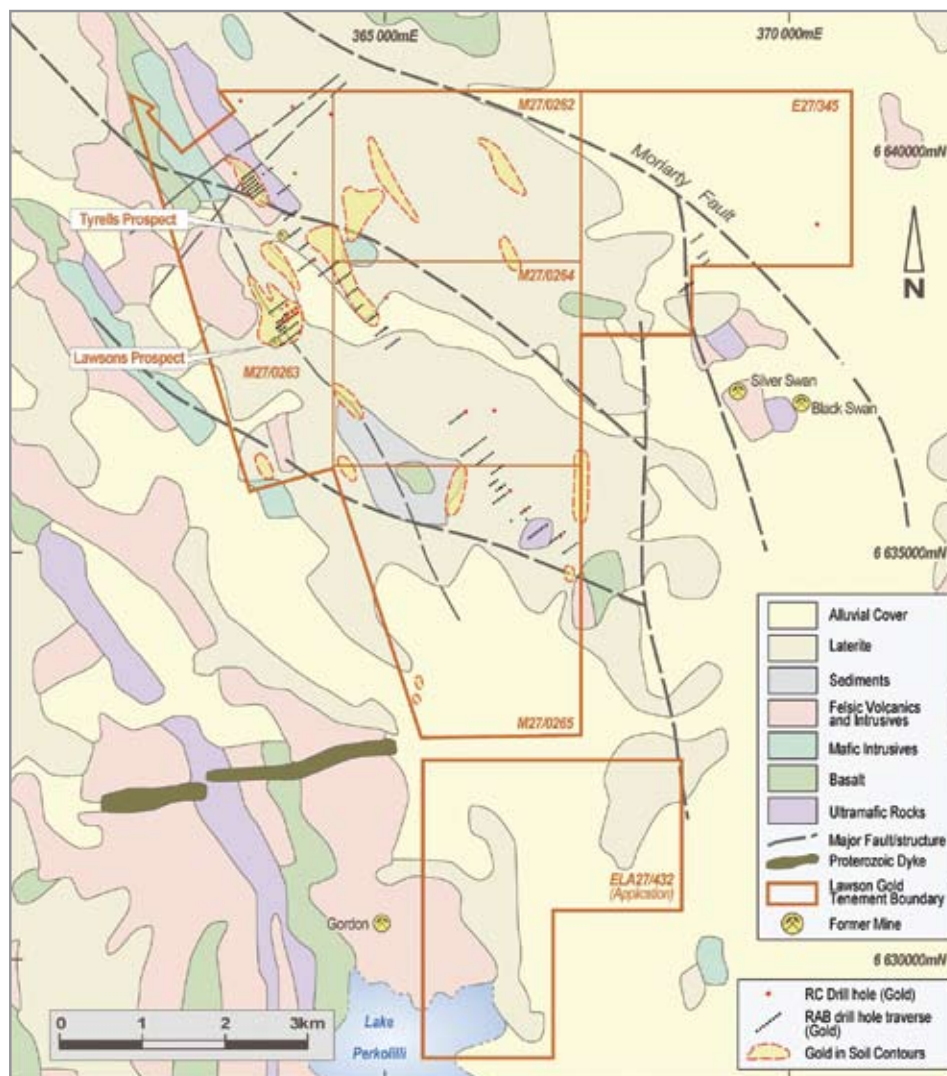


Figure 2: Geology and Summary of Previous Gold Exploration

Nickel

The Project area covers up to 2.5 kilometres strike extension of the ultramafic rock sequence that hosts the Silver Swan and Black Swan nickel deposits located adjacent to the southeast of the Project. This ultramafic rock sequence is interpreted to be repeated over an 8 kilometre strike length within the Company's tenements about 4 kilometres to the west of Silver Swan nickel mine.

The Black Swan nickel deposit was discovered by Australian Anglo American Limited in the late 1960's or early 1970's. Subsequent exploration by Mining Projects Investors Pty Ltd in joint venture with Outokumpu Exploration Ventures Pty Ltd led to the discovery of the Silver Swan nickel deposit in 1995. The Silver Swan deposit was reported by the joint venture partners to contain proven and probable reserves of 470,000 tonnes @ 6.1% nickel and resources of 450,000 tonnes @ 10.2% nickel. Disseminated resources at the Black Swan nickel deposit were reported to contain 10.4 million tonnes at 0.83% nickel and at the Cygnet deposit 1.1 million tonnes at 2.1% nickel.

Both these ultramafic rock sequences are prospective for nickel sulphide deposits and have been the focus of nickel and base metal exploration by various companies, most recently FerrAus (2000-2005) and Mithril Resources Limited / BHP Billiton Nickel (2006-2008). This exploration included surface geochemical and geophysical surveys followed by RAB and RC drilling that identified several areas containing anomalous nickel values in oxidised ultramafic rocks ranging from 0.5% Ni to 0.92% Ni, including ESR 217 (9 metres @ 0.92% Ni from 11 metres depth), ESR 218 (3 metres @ 0.86% Ni from 27 metres depth) and ESR 230 (28 metres @ 0.35% Ni from 5 metres depth). Follow-up deep RC and diamond drilling contained similar anomalous nickel values in the oxidised weathering profile, though no anomalous nickel values were recorded in fresh rock.

Exploration of the western ultramafic trend identified multiple thin komatiitic flows, though no significant thicknesses of channelized ultramafic rocks. In the Directors opinion, the exploration potential for nickel sulphide deposits remains positive and open in the Project area, especially in the eastern ultramafic trend along strike from the Silver Swan nickel mine.

2.2.3 Geological Overview and Gold Potential

The Project is located in a regional geological setting similar to the Kanowna Belle gold deposit located approximately 20 kilometres to the south. The Project area contains a succession of Archaean rocks (mafic, ultramafic, felsic-intermediate volcanoclastic and granitic rocks), major terrain bounding fault structures and shear zones, subsidiary brittle fault structures (often a locus for gold mineralisation), and several quartz-sericite alteration systems. Major components of gold mineralisation at Kanowna Belle are present in the Project area including felsic volcanoclastic rocks, sheared and altered quartz-porphyry intrusive rocks and quartz veining +/- sulphides.

Importantly, Kanowna Belle's discovery soil gold anomaly was an area approximately 350 metres diameter with results of greater than 60ppb Au, with several peaks of 150ppb Au. Current Lawson Gold Project area data contains soil gold results of that order overlying favourable host rocks and a similar geological environment to Kanowna Belle.

Further, results of follow-up RAB and RC drilling at the Project are comparable to Kanowna Belle in their distribution within the weathering profile, as well as in their intersection width and their gold content when Kanowna Belle was at the same early stage as the Project. The widespread distribution of soil gold anomalies and surface nugget gold at the Project is encouraging.

2.2.4 Exploration Targets

The Director's consider that the exploration and discovery history of the Kanowna Belle gold deposit provides a useful comparison and insight to the potential of the Project area. Lawson Gold's exploration model and exploration target for the Project area is for the discovery of a Kanowna Belle style gold deposit.

Lessons gained from the exploration and discovery history of the Kanowna Belle gold deposit will be readily applied and useful in directing cost-effective exploration at the Project area. The discovery hole for Kanowna Belle was the result of a follow up RC drilling campaign that was supported by a 24 hole RAB drilling program (best 8m @ 4.5g/t Au) designed to test the peak soil anomaly identified as part of a close spaced soil sampling. Due to constrained lateral distribution of gold in soil, pathfinder elements were useful in directing and prioritising exploration including As, Cu, Zn, Bi, and Sb.

Recent work on the Project has involved open file information and historic exploration data being assembled into a structured database along with several site visits conducted by experienced geologists to identify and visually assess gold targets on the ground and inspect some of the available core from recent nickel exploration.

Following this work, the following have been identified as key areas for follow-up:

1. Gold nuggets are widespread near surface in the Project area with many occurrences located within in-situ soils and away from alluvial transport zones suggesting that source mineralization of nuggets may be nearby.
2. The untested surface and near surface soil gold anomalies (20-50ppb Au over an area that is 4 kilometres long and 300-500 metres wide) show good continuity, are statistically robust (based on large numbers of samples from in-situ soils) and define coherent trends for targeting of follow-up drilling.
3. Geophysical surveys, especially interpretation of aeromagnetic surveys, indicate several structural zones as gold targets that remain untested by drilling – despite these targets having anomalous surface geochemical results.
4. Core drilling conducted for nickel exploration contains narrow quartz +/- sericite/biotite alteration zones that are worthy of analysis for gold. Significant sulphide concentrations (1-40% pyrite + pyrrhotite) were logged in altered metasedimentary rocks in the immediate footwall to ultramafic units that may relate to potential gold mineralization.
5. RAB drilling has been sporadic and not always directed with a gold focus. Often gold analyses were limited to bottom of hole samples, which can be easy to underestimate or overlook gold potential. However, there have been significant RAB and RC drilling results from limited follow-up drilling of soil gold anomalies.

FerrAus (then called NiQuest Limited) identified two areas of gold mineralisation from previous exploration by Mt Kersey Mining. The northern most area, named the Tyrells Prospect, consists of three consecutive RAB drill holes returning >1g/t Au over intervals \geq 1 metre. The best gold intersection reported by Mt Kersey Mining from drill hole GINB 758 was 4m @ 8.58g/t Au in weathered basement clays from 44 metres depth.

The main area of gold mineralisation identified by FerrAus is concentrated around the Lawsons Prospect. This prospect was drilled by both Mt Kersey and FerrAus with both companies intersecting gold mineralisation in RAB drilling with numerous results containing 1-3g/t Au from various levels within the soil and deep weathering profile. The best gold intersection of 5m @ 18.22 g/t Au was recorded in FerrAus drill hole ESR054 in a composite sample from 72m depth in altered metasedimentary rocks. Importantly, this drill hole stopped at 77 metres depth with the last interval grading 1m @ 6g/t Au suggesting that gold mineralisation remains open at depth. Four of the five RC percussion drill holes drilled by FerrAus intersected narrow intervals of gold mineralisation containing 1-2g/t Au. Based on geological descriptions in drill hole logs, the gold mineralisation is contained mainly in altered metasedimentary rocks, some with significant amounts of quartz veining containing sulphide minerals.

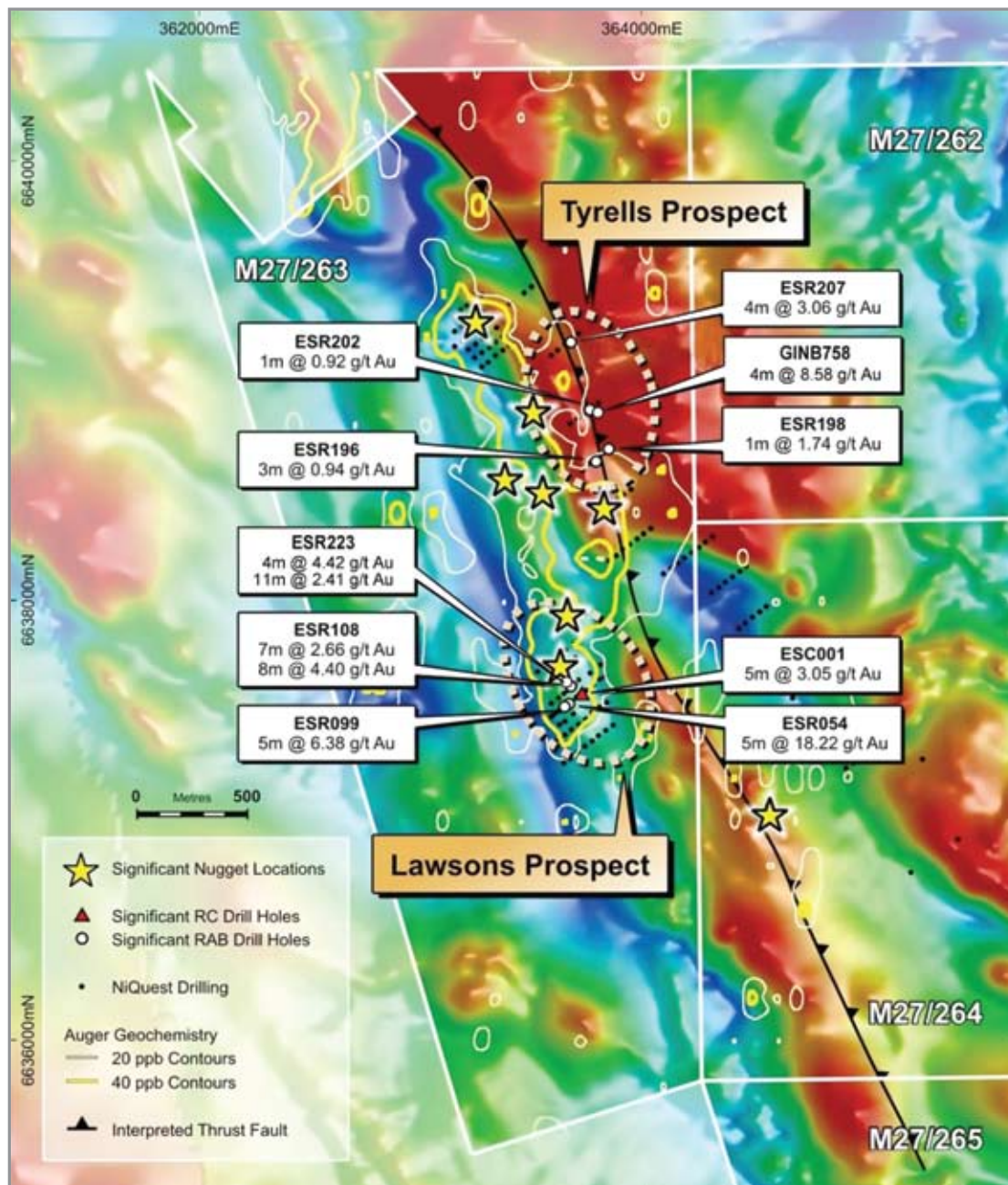


Figure 3: Summary of Significant Gold Results from previous exploration by NiQuest and Mt Kersey Mining.
(Base plan is a coloured image of Total Magnetic Intensity)

At this early stage, the Directors consider that the gold exploration potential of the Project is best measured by the strength of the soil gold anomalies and the relative merits of RAB and RC drill results from previous exploration.

It is the Directors view that the Project area warrants focussed, systematic gold exploration and the existing targets warrant immediate follow-up exploration and drill testing by RAB, Aircore and/or RC methods, particularly at the Lawsons and Tyrells prospects. A systematic approach to follow-up exploration of the soil gold anomalies is intended to ensure that numerous targets will be generated for RC and/or diamond drilling.

2.2.5 Exploration Program and Budget

The proposed exploration program is designed to rapidly determine if there are economic gold resources located in the Project area.

Initially, Lawson Gold will conduct orientation sampling and validation test work in order to ascertain the veracity and quality of the historic exploration data – this work is underway. Following this, the proposed exploration program includes the following:

- Review of previous geochemical soil surveys and drilling data relative to surface geomorphology and weathering profile. Re-sampling and re-logging of selected previous drill samples in order to standardise the geological database and generate additional gold anomalies and drilling targets.
- Detailed surface or near surface soil sampling to follow up current soil gold anomalies (for example, hand auger sampling of soil calcrete). Results will be used to define and prioritise the soil gold anomalies and facilitate cost-effective follow-up drilling.
- Geological interpretation of aeromagnetic surveys in order to generate conceptual exploration targets based on a mineralisation model of the Kanowna Belle gold deposit.
- RAB and/or Aircore drilling of all priority soil gold anomalies to identify and qualify gold exploration targets.
- Detailed follow-up RAB, Aircore and/or RC drilling to further define exploration targets and prospects, and then progress these targets to the status of advanced exploration prospects.
- Multi-stage RC and/or diamond drilling of advanced exploration prospects to determine gold resources.

Year 1 is a 12 month exploration commitment with the objective to identify as many gold prospective areas by RAB drilling methods as possible, then to test the best of these targets with an initial RC drilling program.

Year 2 will most likely focus on upgrading RC intersections to an advanced gold prospect stage and expanding RAB and Aircore drilling efforts to define additional RC targets.

Based on success, Year 3 is planned for defining gold resources by RC drilling with the support of diamond core drilling to increase the understanding of controls of gold mineralization.

Given the above, the following two year exploration budget is proposed for Lawson Gold.

Work Description	Minimum Subscription			Maximum Subscription		
	Year 1	Year 2	Total	Year 1	Year 2	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Soil Sampling	50	-	50	100	50	150
RAB/Aircore Drilling	250	250	500	400	550	950
RC &/or Diamond Drilling	100	450	550	300	800	1,100
Geologist & Field support	200	300	500	300	500	800
Administration	200	200	400	300	300	600
Total	800	1,200	2,000	1,400	2,200	3,600

It should be noted that the above exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress.

Due to market conditions, the development of new opportunities and/or any number of other circumstances (including the risk factors outlined in this Prospectus), actual expenditure levels may differ significantly from the above estimates.

3 Board and Management

3.1 Directors

Lawson Gold will be led by a Board that is independent of FerrAus (the “Continuing Directors”) and the Company intends to build a management team with strong technical and commercial skills and substantial experience in the Australian resources industry.

3.1.1 Continuing Directors

David Hillier

FCA, AMP (Harvard), MAICD

Non-Executive Director (and proposed Chairman post listing)

David Hillier is a chartered accountant and has more than 30 years experience in commercial aspects of the resources industry. Until recently Mr Hillier was Chairman of Buka Gold Limited which successfully identified a number of gold anomalies in the Maryborough Basin in Queensland, an area not previously considered prospective for gold. In addition, throughout 2008 he worked as Chief Financial Officer and subsequently as an Executive Director of Buka's major shareholder based in London. Between 1989 and 2002, Mr Hillier held a range of senior executive positions in the Normandy Mining Limited Group of companies and was Chief Financial Officer of Normandy for six of these years. He has served as Chairman and as a Director of a number of public companies in the gold mining and exploration field.

David Turvey

BSc (Hons)

Executive Director

Mr Turvey is a geologist and founding Director of Equant Resources Pty Limited, a resource consulting company that provides technical evaluation and business development studies of global mineral projects. Mr Turvey is also a Director of Sterling Mining Partners Pty Ltd, a consulting company that provides corporate advisory services. Mr Turvey was Managing Director of FerrAus Limited from 7 December 2005 to 31 May 2009 and Non-Executive Director thereafter until he retired from the FerrAus Board on 15 December 2009. Prior to 1998, Mr Turvey worked with companies including Normandy Mining, Chevron Corporation and CSR Limited managing successful mineral exploration programs and business development teams. His 28 years experience in the mineral industry has included seven years in expatriate management roles in South East Asia.

Peter Watson

LLB (Hons)

Non-Executive Director

Educated in Perth and Melbourne and holding a Bachelor of Laws (with honours) degree from Melbourne University, Mr Watson has 40 years experience in legal practice. He has been a Partner (and Managing Partner in both Perth and Melbourne) of a national law firm. In 1999, Mr Watson joined Normandy Mining Limited (then Australia's largest gold mining company) as a Group Executive and Group Legal Counsel. Following the 2002 takeover of Normandy Mining by Newmont Mining Corporation of the US, Mr Watson established Watsons Lawyers. Over Mr Watson's lengthy career he has acted for major players in the automotive, mining (particularly gold mining) and construction industries as well as a wide range of clients in many other industries. He has worked extensively in the mergers and acquisitions field, in takeovers, schemes of arrangement, trade sales and commercial joint ventures and has represented bidders for and owners/developers of numerous major projects.

Mr Watson also has extensive experience in all aspects of the resources industries (acting for explorers, mine developers and producers) and in corporate, project, multicurrency and commodity based financing.

Mr Watson is a Non-Executive Director of Phoenix Copper Limited.

Donald Stephens

FCA, BA (Acc)

Company Secretary

Mr Stephens is a Chartered Accountant and corporate adviser with more than 20 years experience in the accounting industry, including 14 years as a partner of HLB Mann Judd, a firm of Chartered Accountants. He is a Director of Mithril Resources Limited and Papyrus Australia Limited and is company secretary to Minotaur Exploration Limited, Toro Energy Limited, Petrathern Limited and other public companies. He holds other directorships with private companies and provides corporate advisory services to a wide range of organisations.

3.1.2 Non-Continuing Directors

As at the date of this Prospectus there are a further three Directors of Lawson Gold in addition to the Continuing Directors listed above. These Directors, being John Nyvlt, Mike Amundsen and Rob Greenslade (together the “Non-Continuing Directors”), intend to remain on the board until allotment of the Shares issued under this Prospectus to represent the interests of FerrAus. After allotment, all three Directors intend to resign. Specifically, John Nyvlt intends to resign as Chairman of Lawson Gold and it is intended that David Hiller will become the new Chairman.

Mr Nyvlt (BSc (Hons)) is the Chairman of FerrAus and has been since 7 December 2005. He is a director of Penfold Marketing and responsible for the entity’s business development and acquisitions. Mr Nyvlt has spent all his working life in the resources sector. Prior to joining Penfold Marketing in 2000, Mr Nyvlt worked with Normandy Mining Group for eight years, where he was responsible for sales and marketing of the group’s base metal production and for supplying services and materials to the group’s operations. Mr Nyvlt worked as a geologist and in various commercial roles with EZ Co A/Asia Ltd, North Broken Hill Ltd, and Pasminco Ltd.

Mr Amundsen (B. Bus, Grad Dip Management, MAICD, MAusIMM) is the Managing Director and Chief Executive Officer of FerrAus. Mr Amundsen’s extensive international experience includes 28 years with BHP Billiton, primarily in the iron ore and coal business groups and in a number of senior roles covering business development, finance and marketing. Mr Amundsen’s last role with BHP Billiton was Vice-President Business Development and Director Business Development in the iron ore business. He was a board member of Samarco (Brazil) from 2001 to 2007 and played a lead role in the recent US\$1.2 billion expansion of Samarco.

Mr Greenslade (BEc) is a Non-Executive Director of FerrAus and a founding Director of Adelaide-based boutique investment bank Gryphon Partners Advisory Pty Ltd, specialising in resource transactions in the public and private sectors. Prior to 2002, Mr Greenslade was Group Executive Corporate for Normandy Mining Limited heading up the company’s corporate division. Following the takeover of Normandy Mining Limited by Newmont Mining Corporation Inc, he was appointed Vice President of Newmont Capital Limited responsible for the Group’s Australian and Asian Pacific corporate and business development activities. Mr Greenslade is also a non-executive director of ASX listed company Oaks Hotel and Resorts Limited and Innovance Limited.

3.2 Management

The Company intends that its exploration program will be conducted by experienced contractors or consultants with appropriate skills and expertise.

The Company intends to engage its own senior geologist/project manager as soon as possible. The relevant person will likely be engaged on a full time basis to plan and supervise the exploration program and manage the analysis and reporting of results. Further, this person will be responsible for administration and statutory reporting of exploration activities to relevant Government and non Government organisations.

Pending the appointment of a senior project manager the Board as a whole has responsibility for the day to day management of the Company. Further, pending such appointment, the Board will, where available, draw on the technical support services under the FerrAus Shared Services Agreement (refer to Section 8.8) for technical management and administration of its exploration programs.

Lawson Gold has entered into a service agreement with Equant Resources under which Equant Resources' nominated personnel, Mr David Turvey, will provide technical and management overview and evaluation of the Company's exploration programs and assist in the evaluation of investment and divestment opportunities in mineral and metals projects and assess and provide advice to the Company on new projects. By virtue of the Equant Resources Services Agreement (refer to Section 8.6 for further details) Mr Turvey is regarded as an Executive Director of the Company (refer to his biography in Section 3.1.1).

3.3 Corporate Governance

The Board is responsible for the corporate governance of the Company including its strategic development. The Company operates in accordance with the corporate governance principles as set out by the ASX Corporate Governance Council and required under ASX listing rules.

Principle 1: Lay solid foundations for management and oversight

Board Responsibilities

The Board is accountable to the Company shareholders for the performance of the Company and has overall responsibility for its operations. Day to day management of the Company's affairs, and the implementation of the corporate strategy and policy initiatives, are formally delegated by the Board to employees and key consultants.

The key responsibilities of the Board will include:

- approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;
- adopting budgets and monitoring the financial performance of the Company;
- if a managing director is appointed, reviewing annually the performance of the managing director against the objectives and performance indicators established by the Board;
- overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- overseeing the implementation and management of effective safety and environmental performance systems;
- ensuring all major business risks are identified and effectively managed; and
- ensuring that the Company meets its legal and statutory obligations.

For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

The Board has not publicly disclosed a statement of matters reserved for the Board, or the Board charter and therefore the Company has not complied with recommendation 1.3 of the ASX Corporate Governance Council. Given the size of the Company, the Board does not consider the formation of a Board charter necessary.

Principle 2: Structure the Board to add value

Size and Composition

At the date of this Prospectus the Board consists of five Non-Executive Directors and one Executive Director. Following issue and allotment of the Shares under the Offer, the Non-Continuing Directors will resign from the Board and the three Continuing Directors will remain on the Board.

The Directors consider the size and composition of the Board following resignation of the Non-Continuing Directors is appropriate given the size and development of the Company.

Directors are expected to bring independent views and judgment to the Board's deliberations.

Independence

The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those Directors who have interests in specific transactions or potential transactions do not receive the Board papers related to those specific transactions or potential transactions, do not participate in any Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of the transaction or potential transaction, and will be asked not to discuss the transaction or potential transaction with other Directors.

Mr Hillier is considered an independent Director as he has no other material relationship or association with the Company other than his directorship. Messrs Nyvlt, Amundsen and Greenslade are directors of FerrAus, Equant Resources, a company controlled by Mr Turvey, is party to the Equant Resources Services Agreement with the Company, and Watsons Lawyers, of which Mr Watson is a Partner, provides legal services to the Company, and therefore those Directors are not considered independent.

Nomination, Retirement and Appointment of Director's

The Board has not established a nomination committee and therefore the Company has not complied with recommendation 2.4 of the Corporate Governance Council. Given the size of the Company the Board does not consider a separate committee appropriate. The Board takes ultimate responsibility for these matters. The composition/membership of the Board is subject to review in a number of ways, including:

- The Company's constitution provides that at every annual general meeting, one third of the Directors shall retire from office but may stand for re-election.
- Board composition will be also reviewed periodically either when a vacancy arises or if it is considered the Board would benefit from the services of a new Director, given the existing mix of skills and experience of the Board which should match the strategic demands of the Company. Once it has been agreed that a new Director is to be appointed, a search would be undertaken, sometimes using the services of external consultants. Nominations would then be reviewed by the Board.

Evaluation of Board Performance

The Board continually reviews its performance and identifies ways to improve performance. The Chairman is responsible for reviewing the Board performance on an annual basis.

Board Committee's

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role.

At the present time no committees, other than an audit committee, have been established because of the size of the Company and the involvement of the Board in the operations of the Company. The Board takes ultimate responsibility for the operations of the Company including remuneration of Directors and executives and nominations to the Board.

The Board has not publicly disclosed the process for evaluating the performance of the Board, its committees and individual Directors. Therefore, the Company has not complied with recommendation 2.5 of the Corporate Governance Council. The Board takes ultimate responsibility for these matters and does not consider disclosure of the performance evaluation necessary at this stage.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Board recognises the need for Directors and employees as well as consultants and contractors while engaged in work for the Company to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company intends to maintain a reputation for integrity. The Company's officers and employees and consultants and contractors while engaged in work for the Company are required to act in accordance with the law and with the highest ethical standards. The Board has adopted a formal code of conduct applying to the Board, all employees and consultants and contractors while engaged in work for the Company. The code of conduct can be viewed on the Company's website. The Board takes ultimate responsibility for these matters.

Share Trading Policy

The Company has established a policy concerning trading in the Company's shares by the Company's officers, employees and contractors and consultants to the Company while engaged in work for the Company (**Representatives**).

This policy provides that it is the responsibility of each Representative to ensure they do not breach the insider trading prohibition in the Corporations Act. Breaches of the insider trading prohibition will result in disciplinary action being taken by the Company.

Representatives must also obtain written consent from the Chairman (or, in the case of the Chairman, from the Board) prior to trading in the Company's securities.

Subject to these restrictions, the policy provides that Directors, the Company Secretary and employees of, or contractors to, the Company that have access to the Company's financial information or drilling results are permitted to trade in the Company's securities throughout the year except during the following periods:

- (a) the period between the end of the March and September quarters and the release of the Company's quarterly report to ASX for so long as the Company is required by the Listing Rules to lodge quarterly reports;
- (b) the period between the end of the June quarter and the release of the Company's annual report to ASX; and
- (c) the period between the end of the December quarter and the release of the Company's half year report to ASX.

In exceptional circumstances the Board may waive the requirements of the Share Trading Policy to allow Representatives to trade in the shares of the Company, provided to do so would not be illegal.

Directors must advise the Company Secretary of changes to their shareholdings in the Company within 2 business days of the change.

The Securities Trading Policy can be viewed on the Company's website.

Principle 4: Safeguard integrity in financial reporting

The Company aims to structure management to independently verify and safeguard the integrity of their financial reporting. The structure established by the Company includes:

- review and consideration of the financial statements by the audit committee;
- a process to ensure the independence and competence of the Company's external auditors.

Audit Committee

The audit, risk and compliance committee comprises Peter Watson (chair of the committee) and David Hillier, both Non-Executive Directors, and Donald Stephens, the Company Secretary.

The committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process;
- review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- nominate external auditors;
- review the performance of the external auditors and existing audit arrangements; and
- ensure compliance with laws, regulations and other statutory or professional requirements, and the Company's governance policies.

The committee has not been structured to contain three Non-Executive Directors who are independent Directors and therefore the Company has not complied with recommendation 4.2 of the ASX Corporate Governance Council. Given the relative skills and experience of the audit committee, the Board believes the structure and process to be adequate. The Board continues to monitor the composition of the committee and the roles and responsibilities of the members.

Principle 5: Make timely and balanced disclosure

The Company has a policy that all the Company Shareholders and investors have equal access to the Company's information. The Board will ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The Company Secretary has primary responsibility for all communications with the ASX and is accountable to the Board through the chair for all governance matters.

The Company has not publicly disclosed a formal disclosure policy and therefore has not complied with recommendation 5.1 of the ASX Corporate Governance Council. Given the size of the Company, the Board does not consider public disclosure to be appropriate. The Board takes ultimate responsibility for these matters.

Principle 6: Respect the rights of Shareholders

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders through:

- annual and half-yearly financial reports and quarterly reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and

- the Company's website where all ASX announcements, notices and financial reports will be published as soon as possible after release to ASX.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

The Company has not designed or publicly disclosed a communications policy and therefore has not complied with recommendation 6.1 of the ASX Corporate Governance Council. Given the size of the Company, the Board does not consider disclosure of a communications policy to be appropriate. The Board takes ultimate responsibility for these matters.

Principle 7: Recognise and manage risk

The Board has identified the significant areas of potential business and legal risk of the Company.

The identification, monitoring and, where appropriate, the reduction of significant risk to the Company is the responsibility of the Board. The Board has also established an Audit and Risk Committee which addresses the risk of the Company.

The Board will review and monitor the parameters under which such risks will be managed. Management accounts will be prepared and reviewed at Board meetings. Budgets will be prepared and compared against actual results.

The Company has not publicly disclosed a policy for the oversight and management of material business risks and therefore has not complied with recommendation 7.1 of the ASX Corporate Governance Council. The Board takes ultimate responsibility for these matters and does not consider the disclosure of a risk management policy to be appropriate at this stage.

Principle 8: Remunerate fairly and responsibly

The Chairman and the Directors are entitled to draw Directors fees and receive reimbursement of reasonable expenses for attendance at meetings. The Company is required to disclose in its annual report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is \$250,000. This amount cannot be increased without Shareholder approval.

The Board has not established a remuneration committee and therefore the Company has not complied with recommendation 8.1 and 8.3 respectively of the ASX Corporate Governance Council. Given the size of the Company, the Board does not consider a separate committee appropriate. The Board takes ultimate responsibility for these matters.

4 Risk Factors

4.1 Introduction

The Shares offered under this Prospectus are speculative because of the nature of the business activities of the Company. Whilst the Directors recommend the Offer, potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company.

Persons considering whether or not to invest in the Company should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for Shares. Prospective investors should consider whether the Shares offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, they should consult with their professional advisers before deciding whether to apply for Shares.

The risks discussed below, while not exhaustive, identify some of the major risks associated with an investment in the Company and potential investors need to be aware of these before making a decision on whether or not to invest in the Company's Shares.

4.2 General Risks

(a) Exploration and Development

A significant risk for the Company is that the proposed exploration programs will not result in exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the Project areas described in this Prospectus, or any other Projects that may be acquired by the Company in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable. While the Directors endeavour to reduce these risks through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed.

The future viability and profitability of the Company as an exploration and mining company will be dependent on a number of factors including, but not limited to, the following:

- commodity prices and exchange rates;
- risks inherent in exploration and mining including, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations (including risks relating to continuity of ore deposit, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems) and competent management;
- risks associated with negative exploration results, including relinquishment (in whole or in part) of the Tenements, even though a viable mineral deposit may be present, but undiscovered;
- risks associated with obtaining grant of any exploration or mining tenements which are applications (including the Exploration License Application) or renewal of Tenements upon expiry of their current term;

- risks arising because of native title and aboriginal land rights which may affect the Company's ability to gain access to prospective exploration areas or obtain production titles; compensatory obligations may be necessary in settling native title claims lodged over any of the Tenements held or acquired by the Company; the level of impact of these matters will depend, in part, on the location and status of the Tenements acquired by the Company;
- risks that exploration and mining may be adversely affected or delayed due to specific equipment or services required being unavailable due to factors outside the control of the Company;
- environmental management issues with which the Company may be required to comply from time to time;
- the risk that community actions, arising from adverse attitudes, may result in delays or cessation of mining and exploration activities at any or all of the Company's projects;
- the risk of material adverse changes in the government policies or legislation of Australia affecting the level of mining and exploration activities;
- poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- unforeseen major failures, breakdowns or repairs required to key items of exploration and mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- risks associated with exploration costs of the Company, these costs as described in this Prospectus are based on estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and the actual work done and cost incurred may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability;
- delays that may be experienced in the commencement or conduct of exploration due to factors beyond the Company's control, including lack of available drilling equipment or skilled personnel;
- risks associated with the cost of maintaining exploration and mining properties, which depends on the Company having access to sufficient capital; and
- risks associated with the financial failure or default by a participant in any joint venture or other contractual relationship to which the Company may become a party.

(b) Development and Acquisition Opportunities

The success of the Company depends, to some extent, upon the Company's ability to identify, secure and develop a portfolio of high quality project interests and strategic industry partnerships. There is a risk that the Company will be unable to secure additional high quality gold project interests on appropriate terms, thereby potentially limiting the future growth of the Company.

If the Company holds only a limited number of project interests, poor performance by one or a few of these could severely affect the performance of the Company and thereby severely impact the returns to Shareholders. The integration of new project interests by the Company may also be more difficult, and involve greater costs, than anticipated.

(c) Dependence on Key Personnel

The Company's success depends to a significant extent upon the consultants engaged to provide key management services to the Company. The Company also intends to engage a senior geologist/project manager as soon as possible. Inability to secure an appropriately qualified person or the loss of the services of certain consultants or key personnel of those consultants could have an adverse effect upon the Company and its activities. If there is any delay in securing a senior geologist/project manager following the listing of the Company on ASX, the Company's exploration program may be delayed until such personnel is secured. See Sections 3.2, 8.6, 8.8 and 8.9 for further information regarding the management of, and technical services to be provided to, the Company.

(d) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify gold or other precious metals, failure to achieve extraction of predicted grades in mining, operational and technical difficulties encountered in exploration or mining including those leading to an inability to mine, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs or the extractability of metals, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, or increases in the costs of, consumables, spare parts, plant and equipment.

(e) Native Title and Land Access

It is possible that the Company has an interest, or will in the future acquire an interest in areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to Tenements (through obtaining consent of any relevant native title holder or claimant), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further, the existence of native title and/or native title claims on the land the subject of the Exploration Licence Application could lead to delay in the grant of this tenement as a result of having to comply with the procedures under the Native Title Act and Mining Act.

The Company's activities in Australia are subject to the Native Title Act and associated legislation relating to native title, which are discussed in the Solicitors' Report in Section 7. Uncertainty associated with native title issues may impact on the Company's future plans.

(f) Aboriginal Sites of Significance

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. There are two Aboriginal heritage sites registered on the land the subject of the Tenements and five Aboriginal heritage sites registered on the land the subject of the Exploration License Application (refer to Solicitors Report in Section 7) and further sites of significance may be identified within the Tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to comply with the requirements of various relevant legislation and the provisions of the Heritage Agreement which may include the need to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface. The Company has been advised that a clearance survey has previously been undertaken on the land the subject of the granted Tenements, but no new sites of significance were identified on the areas the subject of the survey (other than the sites on the granted Tenements previously recorded on the register maintained by the Department of Indigenous Affairs).

(g) Environmental Risks

The operations and proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. All exploration projects and mining operations have an impact on the environment, particularly if advanced exploration or mine development proceeds. It follows that the minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

Furthermore it is the Company's intention to conduct its activities in compliance with all environmental laws. However, as with all exploration and mining activities, the Company's operations are expected to have an impact on the environment, particularly if mine development proceeds. There are also risks inherent in the Company's activities including accidental leakages, spills, or other unforeseen circumstances that could subject the Company to extensive liability. The Company may inherit environmental issues requiring remediation from previous exploration in its Project areas.

Further, the Company may require approval from the relevant authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain such approvals it will be prevented from undertaking those activities.

The Company cannot predict what future legislation and regulations may govern mining, and may impose significant environmental obligations on the Company.

(h) No Operating History

The Company has not operated, other than in respect of the activities associated with, or disclosed in, this Prospectus and to hold cash, and thus has no operating history to provide a guide to investors and Shareholders.

(i) Development Capital

Exploration and development costs will reduce the cash reserves of the Company, which may not be replaced through the successful development of mining operations, or should these mining operations prove unsuccessful or perform below the required levels. The Company would then be dependent on seeking development and exploration capital elsewhere, through equity, debt or joint venture financing, to support long term exploration and evaluation of its Projects. Capital raised by additional equity financing will dilute shareholdings, and debt financing may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may have to reduce the scope of its operations or scale back its exploration or other programs. Should the Company only achieve the Minimum Subscription it may have to seek additional funding in or about its third year of operation to meet potential drilling expenditure, or potentially earlier if exploration success leads to faster rates of expenditure than currently anticipated.

(j) Share Market Conditions

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors;

- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Investors should recognise that once the Shares are listed on ASX, the price of the Shares may fall or rise. Many factors will affect the price of the Shares including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally.

(k) General Economic Factors

Factors such as inflation, currency fluctuation, currency exchange rates, interest rates, supply and demand for gold and industrial disruption may have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors which are beyond the control of the Company and its Directors. These general economic factors may also have an adverse effect on the Company's exploration, development and production activities and on its ability to fund those activities. If activities cannot be funded there is a risk that tenements may have to be surrendered or not renewed.

(l) Tenements

Interests in tenements in Australia are governed by state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Continuing title to an Exploration Licence or Mining Lease is conditional on the Company meeting the requirements under which the Exploration Licence or Mining Lease is granted and failure to meet those requirements places the Company's on-going rights to the tenement, at risk. Consequently, the Company could lose an Exploration Licence or Mining Lease if licence or lease conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

The renewal of Tenements upon expiry of their current term and the granting of applications for exploration licences is subject to Ministerial approval. Non-approval or a delay in the approval process could have a negative impact on exploration conducted by the Company as well as the Company's Share price.

The Exploration Licence Application referred to in this Prospectus is an application awaiting grant and is not yet a granted Exploration Licence. There is a risk that the Exploration Licence Application will not be granted. The Directors currently know of no reason why the Exploration Licence Application would not ultimately be granted by the Minister.

(m) Commodity Prices

If the Company achieves exploration success leading to mining and production, the revenue it will derive through the sale of commodities will be exposed to commodity price and exchange rate risks. Commodity prices are influenced by physical and investment demand for those commodities and are affected by many factors beyond the control of the Company. Fluctuations in commodity prices may influence individual Projects in which the Company has an interest. Specifically, changes in the price of gold and nickel may have an effect on the Company, including the ability to secure sales contracts for the production generated from mining operations. Further, international prices of many commodities are denominated in United States dollars, while the income and expenditure of the Company are taken into account in Australian currency, exposing the Company to fluctuations in the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(n) Resource Estimates

Should the Company be successful in exploration of its Projects, it will be required to make and report resource estimates. Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

4.3 Specific Risks

(a) Government Policy

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors. In particular government policies and regulations vary in different States and between different governing parties in relation to exploration, mining and marketing.

The Company's activities will require compliance with various laws, both State and Commonwealth, relating to the protection of the environment, Aboriginal culture and heritage and native title, the protection of workers and the public. Changes in government, government policies and legislation could have a material adverse affect on the Company.

(b) Other Risks Specific to the Company

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- alterations to programs and budgets;
- unanticipated operational and technical difficulties encountered in geophysical and geochemical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to access agreements entered into with native title claimants); and
- uninsured losses and liabilities.

4.4 Other Risks

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial disputation in Australia and overseas.

4.5 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above or which may be unknown or not regarded as significant at this time, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should be aware that investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares in the Company.

5 Independent Geologist's Report



Malcolm Castle
Consulting Geologist
Agricola Mining Consultants Pty Ltd
P.O. Box 473, South Perth, WA 6951
Phone: 08 9474 9351
Mobile: 04 1234 7511
Email: mcastle@castleconsulting.com.au
ABN: 84 274 218 871

19 April 2010

The Directors,
Lawson Gold Ltd
Ground Floor, 60 Hindmarsh Square
Adelaide, SA, 5000

Dear Sirs,

Re:

INDEPENDENT GEOLOGIST'S REPORT ON THE LAWSON GOLD MINERAL PROPERTIES IN WESTERN AUSTRALIA

I have been commissioned by Lawson Gold Ltd (ACN 141 804 104) ("Lawson Gold" or the "Company") to provide an independent technical report ("Report") on Mineral tenements in Western Australia. This report is to be included in a Prospectus to be lodged by the Company with the Australian Securities and Investments Commission ("ASIC") on or about 13 May 2010, to raise approximately \$3 million (before expenses) by issuing 15 million shares at 20 cents, with the right to accept oversubscriptions for an additional 10 million shares to raise an additional \$2 million. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties held by The Company.

The Properties

The Lawson Gold tenements are located in a regional geological setting very similar to the Kanowna Belle Gold Deposit located approximately 20km to the south. Lawson Gold like Kanowna Belle, has proximity to major lithology bounding structures, mafic, ultramafic, and felsic geological packages, and quartz - sericite (biotite) alteration systems. Effective gold exploration at Kanowna took several years (due to gold depletion to -40m depth) until the first indicated and inferred resource in 1991. Details in respect to the legal status and tenure of the tenements comprising the Projects have not been considered in this report but are outlined in the Solicitors Report in Section 7 of the Prospectus.

DECLARATIONS

Relevant codes and guidelines

This report has been prepared as a technical assessment in accordance with the *Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the "VALMIN Code")*, which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to *Independent Expert Reports (Regulatory Guides RG111 and RG112)*.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. The classifications are consistent with the *"Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)"*, prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia, effective December 2004 together with company updates issued from time to time.

Under the definition provided by the ASX and in the VALMIN Code, these properties are classified as 'exploration projects', which are inherently speculative in nature. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the exploration and development programs proposed by the Company.

Sources of Information

The statements and opinion contained in this report are given in good faith and this review is based on information provided by the title holders, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. A final draft of this report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

The Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the distribution of this Report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM.

Malcolm Castle has over 40 years experience in exploration geology and property valuation and evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 20 years ago and specializes in exploration management,

technical audit, due diligence and property valuation at all stages of development. He has wide experience in exploration and project development in a number of commodities including gold, base metals, iron ore, coal, uranium and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and has the relevant qualifications, experience, competence and independence to be considered as an "Independent Individual Expert" under the Valmin Code (Valmin Clause 37) with at least 20 years of relevant and recent experience in the assessment and/or valuation of Mineral Assets or Securities, and a "Competent Person" under the JORC Code.

Where mineral resources are discussed, Malcolm Castle has at least 20 years experience which is relevant to the exploration activities, style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. If the Competent Person is preparing a report on Exploration Results, the relevant experience must be in exploration (JORC Clauses 8 to 10).

Independence

I am not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Projects or the Company. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



Malcolm Castle
B.Sc.(Hons), MAusIMM, GCertAppFin (Sec Inst)

The Lawson Gold Project

Location and Tenure

Lawson Gold's project is located about 45km northeast of Kalgoorlie near the old Kurnalpi gold mining centre in the Eastern Goldfields of Western Australia. The project comprises two Exploration licences E27/345 & E27/428 and four mining leases M27/262 to M27/265, which forms a contiguous group and cover approximately 48.32km². E27/345 abuts the northern boundary of the high grade Silver Swan Nickel Mine. The MLs are adjacent to the west of the nickel mine and secure both nickel and gold exploration targets.

Access is by graded gravel roads to just south of the Silver Swan mine turnoff then west and north along pastoral and prospecting tracks. The terrain is gently undulating with vegetation dominated by saltbush and sparse eucalyptus woodland generally found in semi-arid environments.

Tenement	Grant Date	Area km ²
E27/0345	27/11/2007	8.57
E27/0432	Pending	9.60
M27/0262	8/07/1997	6.25
M27/0263	8/07/1997	7.93
M27/0264	8/07/1997	7.63
M27/0265	8/07/1997	8.34
		48.32

Geological Environment

The Lawson Gold tenements are located in a regional geological setting very similar to the Kanowna Belle Gold Deposit located approximately 20km to the south. Lawson Gold like Kanowna Belle, has proximity to major lithology bounding structures, mafic, ultramafic, and felsic geological packages, and quartz - sericite (biotite) alteration systems. Effective gold exploration at Kanowna took several years (due to gold depletion to -40m depth) until the first indicated and inferred resource in 1991.

Gold potential of the Lawson Gold project at this early stage can only be measured by the tenor of the soil anomalies, and strength of RAB drill results. Both soil results and RAB results are of the order found in many gold discoveries in the eastern and north eastern goldfields of WA, but qualified in that irrespective of early strong gold indications, it does not guarantee a discovery.

The Kanowna Belle Deposit

The gold exploration opportunities on the Lawson Gold project area are considered to be in an equivalent geological setting to the Kanowna Belle Gold Deposit. There is a parallel structural framework with gold occurrences in the saprolitic zone within the tenements and in adjacent areas. This deposit is not held by Lawson and a description of certain aspects of the deposit discovery is presented here as an example of the target type.

The currently operating Kanowna Belle Gold Mine is located midway between the Silver Swan Nickel Deposit and Kalgoorlie, approximately 20km south from the Lawson project area and contained within the Norseman - Wiluna Greenstone Belt in the Archaean Yilgarn Craton.

The geology of the area consists of mafic and ultramafic lavas with felsic volcanics, sediments and conglomerates of the Gindalbie Formation. Kanowna Belle is hosted within coarse felsic fragmental mass flow sediments interbedded with clast bearing polymict conglomerates and felsic fragmentals all intruded by quartz and feldspar porphyries.

The mineralisation is structurally controlled, with the Fitzroy Fault being a major factor controlling the pathways for mineralizing fluids. Brecciation associated with fault movement has provided ideal deposition environments for mineralisation and subsequent alteration (typically carbonate-sericite). Primary mineralisation is gold associated with pyrite, minor arsenopyrite, chalcopyrite, and sphalerite.

In the regolith profile, gold is severely depleted in the upper zones, but contained within a well developed supergene enrichment zone below the base of oxidation (>40m vertically). Mineralisation is contained in a sequence of lenses which are somewhat offset, aligned but sub parallel with each other. Each lens has a strike extent of approximately 600m and with a steeply dipping depth continuity of over 1000m. These lenses are a product of splays and shears emanating from the Fitzroy Fault system.

The key elements that contributed to the location of the Kanowna Belle Gold deposit include:

- A major structural corridor for mineralisation pathways
- Presence of geochemical catalysts such as brecciation/alteration zones, high-Fe lithologies such as the mafic/ultramafic volcanics adjacent, as well u/mafic clast bearing conglomerates of Au host lithologies.
- Lithologic contact zones, proximity of mineralisation to these zones.

Despite gold having been located in the Kanowna area in the late 1800s through alluvial sources, the actual discovery hole to the deposit was not drilled until 1989. The Delta Gold/Peko Gold JV, later known as the Golden Valley Joint Venture (GVJV) made the actual discovery of the deposit a decade later.

Early exploration during 1987 used wide spaced (500m spaced lines, 200m spaced holes) RAB drilling to refusal. Often this process led to holes only attaining shallow refusal depths due to shallow silcrete zones. Also, holes were positioned too far apart for exploring typically thin across strike expressions of lode gold deposits common in Archaean greenstone belts. The program intersected some gold mineralisation. These results were followed up but were unsupported.

An expansive soils program was carried out over the next two years, continuing to refine the grid and subsequent gold anomalies. The soil survey commenced on a 500m x 500m sample spacing refining the pattern down to 80m x 40m spacing in a second pass. BLEG techniques were employed for all their soils. As soil anomalies were generated, they were tested with RAB. The same RAB exploration method to refusal was used and the holes were all unsuccessful in upgrading the anomalies.

This approach with RAB is not considered to be effective because they were dealing with a vertically depleted saprolite beneath a variably thick transported cover. RAB will struggle to penetrate effectively where the gold target is on average 40m+ vertically from surface and deeper immediately over the orebody which is the case at Kanowna Belle.

In 1989, following results from close spaced soils, a deeper 24 hole RAB program tested the peak soil anomaly (150ppb). Results from the RAB gave adequate support for RC drilling which led to the discovery hole.

The exploration techniques used that were instrumental in the discovery were:

- BLEG soil sampling in the first instance.
- Follow up, close spaced screened BLEG soil sampling.

- RAB drilling over BLEG generated soil anomalies.
- RC testing RAB generated targets.

Due to the often constrained lateral distribution of gold in soil, pathfinder element understanding is important. The 5 elements used to refine the Kanowna Gold discovery included As, Cu, Zn, Bi, and Sb.

Local Geology

The Lawson Gold project area covers an 8 kilometre strike length of Archaean ultramafic stratigraphy that is highly prospective for nickel sulphide deposits. The Gindalbie Formation recognised in the area comprises a lowermost succession of tholeiitic basalts and felsic to intermediate volcanoclastic rocks. This sequence is overlain conformably by the Morelands Formation which comprises komatiitic ultramafic lavas and high magnesium basalts with lesser units of intermediate intrusives and sediments. The komatiitic lavas consist of olivine cumulate facies rocks and thin flow spinifex textured flanking facies units which alter to talc-carbonate assemblages, serpentinites and tremolite-chlorite rocks respectively. The talc-carbonate ultramafics host the nickel sulphides which occur near the base of the oldest or lowermost flow. The overall orientation of the stratigraphic sequence is north-north-west with steep easterly dips due to the close proximity of the Kanowna-Scotia Dome. The geology is structurally complex with numerous faults and shears of various orientations disrupting the sequence, as well as the added complication of early thrust faults which appear to repeat or duplicate the succession. Lawson Gold has completed a preliminary data review focusing on the gold opportunity. Historical gold exploration efforts have been either incidental to base metal exploration or incomplete; there has been no comprehensive systematic gold focused exploration conducted on the Lawson Gold tenement package.

Exploration History

Australian-Anglo American JV (1969-1976).

A joint venture managed by Australian Anglo American Ltd explored mineral tenements in the Black Swan area over a discrete aeromagnetic anomaly. Their primary focus was nickel and base metal exploration. They successfully delineated nickel mineralisation culminating in the definition of the Black Swan resource. Unfortunately, the project was sub-economic at that time, and the JV was abandoned in 1976. There was no gold exploration conducted.

Union Miniere/WMC Resources Ltd JV (1974-1975).

Union Miniere explored in the Black Swan area for nickel-copper mineralisation using the conceptual models developed from the discovery of the nearby Scotia, Carr Boyd and Black Swan Deposits. An aeromagnetic anomaly associated with the Ringlock Prospect north of Silver Swan was RAB drilled. Sand and clay cover between 20m and 50m was encountered and only one hole intersected ultramafic rock. The difficult drilling conditions and extent of cover discouraged the JV from persisting with the exploration.

Esso Australia Ltd (1979-1981).

Esso Australia Ltd acquired the ground around Black Swan to test for copper-zinc mineralisation associated with felsic volcanic and sedimentary rocks. Aerial photography, aeromagnetics, geological mapping, soil and rock geochemical sampling, costeaning and drilling programs were conducted. Gossanous material in chert and shales returned anomalous Cu, Pb, Zn and As. Two percussion holes were completed, but results were not encouraging. The majority of Esso's work was directed at a target south of Black Swan called Halfway Hill.

Tern Associates Pty Ltd (1980-1986).

Tern undertook regional auger geochemical sampling programs in areas between Mulgarrie and Black Swan Mine. Gold mineralisation was identified at the contact of an ultramafic unit and quartz porphyry intrusives where evidence of

prospecting activity (dry blowing) was observed. A number of discrete low order geochemical anomalies were highlighted, but no follow-up was undertaken and it was observed that the auger rig could only effectively sample areas of relatively shallow (<8m) and soft regolith cover. No follow-up of any targets were undertaken.

Amax Resources Ltd (1982-1984).

Amax Resources Ltd acquired the area surrounding the Black Swan Project, principally to test the northern extension of the Black Swan discovery, as well as locate base metals and gold mineralisation. Amax completed airborne and ground magnetics and drilled 48 RAB holes along the projected extension of the favoured ultramafic horizon near previous drilling completed by Australian Anglo American JV. A bottom-of-hole sample was collected from each drillhole and none of these were anomalous.

CRA Exploration Pty Ltd (1985-1989).

CRA Exploration undertook gold exploration work over a small area in the southern portion of M27/265. Aeromagnetic surveys and systematic RAB drilling at a 500m by 100m spacing was carried out to test below the extensive cover in this area. No anomalous results were reported.

Mt Kersey Mining NL (1990-1999).

Mt Kersey Mining completed exploration programs for both gold and nickel. This search initially focused on palaeochannel gold deposits, similar to those found at Kanowna and Lady Bountiful. The search then switched to quartz and shear-hosted hydrothermal gold mineralisation in mafic volcanics. Gold exploration programs included data compilation, geophysical surveys (aeromagnetics, EM and IP), aerial photography, geochemical surveys and campaigns of RAB and RC drilling. At about the time the Silver Swan Nickel Deposit was found, the focus of exploration in the area changed to nickel. Drill holes were re-sampled for nickel and other indicator elements (Cu, Cr, Co, MgO), however exploration programs were still in their early stages when Mt Kersey relinquished the ground.

FerrAus (formerly named Metals Quest Australia Limited, then NiQuest Limited) (2000-2005).

FerrAus completed a review of all available data in the first years followed by the establishment of a local grid and various ground geophysical surveys. Most of the work completed by FerrAus occurred in 2003 - 2004 when significant ground EM, downhole EM, diamond and RAB drilling was completed searching for both basal contact related nickel sulphides and gold. In 2004-2005 the emphasis changed toward gold exploration with RC and RAB drilling of surface/near surface gold anomalies undertaken. Some small gold intercepts were located and some were followed up by deeper RC drilling with disappointing results.

Mithril Resources Ltd (2005-2009).

Early in 2006 Mithril Resources Ltd entered into a joint venture with FerrAus Ltd whereby Mithril could earn 51% equity in the project by spending \$2M on the licence area over 3 years. As part of the Mithril / BHP Billiton alliance, BHP Billiton elected to enter into an agreement with Mithril in May 2006 whereby BHP Billiton could earn the majority of Mithril's interest by funding the exploration programs. The work completed by Mithril included a complete review of the historical data, heritage surveys, moving loop, fixed loop and downhole EM, RC percussion drilling, analysis of drillhole samples and downhole EM on four of the five drillholes and magnetic modelling of interpreted channel facies ultramafic rocks. No nickel significant sulphides were identified during this program.

Lawson Gold Limited (2010).

Lawson recently carried out a soil sampling program over the existing gold anomaly as an audit of previous work. The area is somewhat reworked from the time of the original sampling and newer assay techniques were employed. The soil traverses confirmed the position and relative strength of the anomaly in the Lawson Prospect areas. Several RAB sample piles dating from several years ago were resampled in part and the assay values indicated good correlation in most cases. Some variation in actual values is to be expected due to the age and weathering of the RAB pile and the nugget effect of gold particles.

Gold Potential

The Lawson Gold project area contains the same geological package, same geological domains, and bears a similar structural configuration to that of Kanowna Belle Gold Deposit. Quartz and felsic porphyry intrusives which are a major component of gold mineralisation at Kanowna Belle are present in the project area. There is a strong structural framework existing in the project area with Riedel structures and splay faults offsetting the main trends. The iron rich environment has potential to be the conduit for gold mineralizing fluids.

Historical work to date has demonstrated there is gold anomalism in the project area, though there never has been a committed effort to gold exploration and it has been incidental to base metal nickel exploration efforts. The Project area has had significant exploration efforts in the past, but in light of information from the Kanowna Belle discovery experience, there is a need to re-evaluate the knowledge base and attempt some reinterpretation of the bedrock profile and structural setting. Target areas are mostly under alluvial and saprolitic cover and assessment will include drilling to reasonable depths. Old workings exist at the Lawson Gold Prospect which was drilled in 1997 and the mineralisation was found to be associated with shears and cross cutting structures. Other structural targets have been recognised at the Tyrells Prospect located approximately 1.2 kilometres north of the Lawson Prospect with cherts and quartz veining present. To the east and southeast of the Lawson Prospect, low ridges have been prospected at the surface and some nuggets found suggesting elevated gold in the vicinity.

Exploration should include soil sample programs where they are incomplete from earlier work and different analytical techniques applied. Often only nickel base metal suites analyses were completed. Incomplete assessment of soil gold anomalies only targeted high values >100ppb and were not followed up systematically with RAB sampling.

A number of strong (>50ppb) soil gold anomalies were not tested previously, as well as lower order soil gold values of merit. The soil anomalies form a coherent trend suggesting strike continuity. Auger program tests were only to shallow depth of less than 5m. Shallow drill sampling has been demonstrated to be ineffective in this environment. The historical work often lacked detailed interpretative geological mapping at a prospect scale. Historical RAB drilling was mainly planned around nickel exploration targets, not gold; and often only took a bottom of hole sample which has been shown not to be the most effective method in gold exploration.

RC testing of the RAB gold values seemed to lack systematic process. RC holes drilled on various azimuths and targeting appeared to be an issue. A number of RC and RAB holes returned anomalous values as shown on the figures. These values should not be considered to represent the average grade of the mineralised zone but have identified gold bearing veinlets in the shear zone. There is a strong nugget effect in the project area shown by the prevalence of dry blowing and prospector activity which may skew the results.

Geophysical surveys identified structural zones located as possible gold targets which are untested. Core drilling conducted for nickel exploration contains some narrow quartz - biotite alteration zone's worthy of analysis for gold. The project area has marked similarities with the Kanowna Belle Gold Deposit.

One area identified by Mithril Resources (Lawson Gold Prospect) has significant gold results (5m @ 18.22 g/t Au) in RAB samples, but has not been effectively followed up. It lies adjacent to a major regional structure, contains sericite (minor biotite) - quartz alteration in RAB cuttings, and on a local scale there is a sheared sericite altered mafic's adjacent to drill holes. The single RAB result does not in itself represent an average of the results but was a high value amongst much lower values.

Proposed Exploration

The Company intends to explore for gold mineralisation in a similar structural setting to the Kanowna Belle deposit. It will have a multi-disciplined approach and will include the following:

- compilation of a database integrating all previous exploration results;
- detailed geological mapping of the prospective structural system utilising existing RAB and RC drilling to locate channel environments;
- carry out reprocessing of existing geophysical data including detailed high resolution magnetics and ground EM surveys;
- follow-up diamond and RC drilling of selected geophysical and geochemical nickel and gold targets; and
- exploration is planned for the first two years in four phases.

Year 1

Phase 1: Validate the historical soil gold results with a follow up soil sample program, and expand to include areas previously unexplored. Continue the validation process of securing RAB and RC pulps, cross check results, and where possible, take new samples from existing drill piles on the ground. Complete the digital transformation of all data from historical sources, compilation of new set of base plans, and cross sections.

Phase 2: RAB/air core drill testing soil targets, structural interpreted targets and geological targets in a systematic fashion. Ensure ground grid adequate for new gold target strike orientations.

Phase 3: RC drill testing of RAB program. This is a simple staged approach, similar to the basic approach used in the discovery of Kanowna Belle. Important to this approach is diligence in following a systematic plan of testing all gold anomalies.

Year 2

Phase 4: Further RC drilling will be completed on appropriate targets generated in the first year. This will be aimed at delineating and estimating a mineralised resource for the project. This will include approximately 5,000 metres of RAB drilling and 10,000 metres of RC drilling.

The two year exploration budget is proposed by Lawson Gold. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress.

Work Description	Minimum Subscription			Maximum Subscription		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Soil Sampling	50	-	50	100	50	150
RAB/Aircore Drilling	250	250	500	400	550	950
RC &/or Diamond Drilling	100	450	550	300	800	1,100
Geologist & Field support	200	300	500	300	500	800
Administration	200	200	400	300	300	600
Total	800	1,200	2,000	1,400	2,200	3,600

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of nickel and gold mineralisation.

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Glossary of Technical Terms

aeromagnetic - A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.

alluvial - Pertaining to silt, sand and gravel material, transported and deposited by a river.

alluvium - Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.

alteration - The change in the mineral composition of a rock, commonly due to hydrothermal activity.

amphibolite facies - An assemblage of minerals formed at moderate to high temperatures (450°C to 700°C) during regional metamorphism.

anomalies - An area where exploration has revealed results higher than the local background level.

Archaean - The oldest rocks of the Precambrian era, older than about 2,500 million years.

assayed - The testing and quantification of metals of interest within a sample.

Au - Chemical symbol for gold.

BIF - A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.

brittle - Rock deformation characterised by brittle fracturing and brecciation.

Cainozoic - An era of geological time spanning the period from 65 million years ago to the present.

carbonate - Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO₃. Essential component of limestones and marbles.

chert - Fine grained sedimentary rock composed of cryptocrystalline silica.

chlorite - A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.

clays - A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.

colluvium - A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.

copper - A reddish metallic element, used as an electrical conductor and the basis of brass and bronze.

diamond drill hole - Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.

DMP - Department of Minerals and Petroleum, WA.

dolerite - A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.

dykes - A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.

fault zone - A wide zone of structural dislocation and faulting.

feldspar - A group of rock forming minerals.

felsic - An adjective indicating that a rock contains abundant feldspar and silica.

foliated - Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.

follow-up - A term used to describe more detailed exploration work over targets generated by regional exploration.

g/t - Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.

geochemical - Pertains to the concentration of an element.

gneissic - Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.

granite - A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.

igneous - Rocks that have solidified from a magma.

infill - Refers to sampling or drilling undertaken between pre-existing sample points.

intermediate - A rock unit which contains a mix of felsic and mafic minerals.

intrusions - A body of igneous rock which has forced itself into pre-existing rocks.

joint venture - A business agreement between two or more commercial entities.

laterite - A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.

lineament - A significant linear feature of the earth's crust, usually equating a major fault or shear structure.

magnetite - A mineral comprising iron and oxygen which commonly exhibits magnetic properties.

metamorphic - A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.

metasedimentary - A rock formed by metamorphism of sedimentary rocks.

Mt - Million tonnes.

outcrops - Surface expression of underlying rocks.

pegmatite - A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.

pisolitic - Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.

ppb - Parts per billion; a measure of low level concentration.

Proterozoic - An era of geological time spanning the period from 2,500 million years to 570 million years before present.

quartz reefs - Old mining term used to describe large quartz veins.

RAB drilling - A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.

RC drilling - A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.

resources - Insitu mineral occurrence from which valuable or useful minerals may be recovered.

rock chip sampling - The collection of rock specimens for mineral analysis.

sedimentary - A term describing a rock formed from sediment.

sericite - A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.

sheared - A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.

silica - Dioxide of silicon, SiO₂, usually found as the various forms of quartz.

soil sampling - The collection of soil specimens for mineral analysis.

stream sediment sampling - The collection of samples of stream sediment with the intention of analysing them for trace elements.

strike - Horizontal direction or trend of a geological structure.

subcrop - Poorly exposed bedrock.

sulphide - A general term to cover minerals containing sulphur and commonly associated with mineralization.

tectonic - Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.

veins - A thin infill of a fissure or crack, commonly bearing quartz.

volcaniclastics - Pertaining to clastic rock containing volcanic material.

volcanics - Formed or derived from a volcano.

6 Investigating Accountant's Report

13 May 2010

The Directors
Unit 5, 60 Hindmarsh Square
Adelaide
South Australia, 5000

Dear Sirs,

Independent Accountant's Report

Introduction

We have prepared this report at the request of the Directors of Lawson Gold Limited ("Lawson Gold" or "the Company") (ACN 141 804 104) for inclusion in a prospectus to be issued by the Company on or about 13 May 2010 in relation to the application by the Company to be admitted to the Australian Securities Exchange ("ASX"). The prospectus invites investors to apply for a total of 15,000,000 ordinary shares at 20 cents each, fully paid, to raise \$3,000,000. Oversubscriptions to a total of 10,000,000 shares to raise an additional \$2,000,000 may be accepted.

Background

Lawson Gold was incorporated as an unlisted public company limited by shares on 2 February 2010.

The Directors state that Lawson Gold is committed to the discovery and development of economic minerals resources, primarily from its current portfolio of projects, but also potentially through investment in other opportunities.

Since incorporation the Company has entered into a Sale and Purchase Agreement with FerrAus Limited to acquire the Tenements, other than ELA27/432, all associated mining information and rights and interest in the Mithril Option Agreement for the issue and allotment of 1,500,000 shares.

Financial Information

The Company was incorporated on 2 February 2010. The Proforma financial information includes the proforma Comprehensive Income Statement and proforma Statement of Financial Position, and the proforma Statement of Changes in Equity at 2 February 2010 and the notes to the financial information assuming that the transactions proposed in the prospectus are completed.

Scope

You have requested PKF Corporate (SA) Pty Ltd, as independent accountant, to report on the following:

- The Pro Forma Comprehensive Income Statement, Statement of Financial Position and Statements of Changes in Equity at 2 February 2010 assuming completion of the financial transaction as set out in this report and in the prospectus.

The Directors of Lawson Gold are responsible for the financial information contained in this report.

The Directors are responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial information.

We have reviewed the historical and proforma financial information in accordance with the Standard on Review Engagements ASRE 2405 "*Review of Historical Financial Information Other than a Financial Report*". Our review procedures included enquiries of Directors, review of the application of accounting standards and policies, review of accounting records and other documentation and limited verification procedures.

These review procedures are lesser in scope than an audit examination conducted in accordance with Australian Auditing Standards. Accordingly the level of assurance given is less than that given in an audit and therefore we do not express an audit opinion.

Opinion

In our opinion, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial information set out in this report does not present fairly:

- The Pro Forma Comprehensive Income Statement, Statement of Financial Position of the Company and Statement of changes in Equity at 2 February 2010 as they would appear assuming completion of the financial transactions as set out in this report.

Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events outside of the ordinary course of business of the Company, which are not otherwise disclosed in the prospectus, which require comments upon or adjustment to the information referred to in this report or which would cause such information to be misleading or deceptive.

Declarations

- PKF Corporate (SA) Pty Ltd does not have any interest in the outcome of the matters relating to the issuing of this prospectus other than in connection with the preparation of this report for which normal professional fees will be received.
- The person responsible for the preparation of this report is Peter Whelan, BEc, FCA who has extensive experience as a partner in a chartered accounting firm, specialising in audit and corporate advice. He has the necessary experience to prepare the report. He is a director of PKF Corporate (SA) Pty Ltd and PKF Business Advisers Pty Ltd and a partner of PKF South Australian Partnership.

Yours faithfully
PKF Corporate (SA) Pty Ltd



P J Whelan
Director
Email: peter_whelan@pkf.com.au

Lawson Gold Limited
Proforma Statement of Financial Position
As at 2 February 2010

	Note	Pre Subscription \$	Proforma Subscription \$	Proforma Maximum Over-subscription \$
Current Assets				
Cash and cash equivalents	2	1	2,640,177	4,634,300
Trade and other receivables	3		31,348	31,882
Total Current Assets		1	2,671,525	4,666,182
Non-Current Assets				
Exploration and Evaluation Assets			400,000	400,000
Total Non-Current Assets			400,000	400,000
Total Assets		1	3,071,525	5,066,182
Current Liabilities				
Trade and other payables	5		100,000	100,000
Total Current Liabilities			100,000	100,000
Net Assets		1	2,971,525	4,966,182
Equity				
Issued Capital	6	1	2,971,525	4,966,182
Retained Earnings		-	-	-
Total Shareholders' Equity		1	2,971,525	4,966,182

The accompanying notes form part of these proforma financial statements

Lawson Gold Limited
Proforma Statement of Changes in Equity
For the Period 2 February 2010 until the Date of Listing

	Ordinary Shares \$
Balance at incorporation	-
Share issued on incorporation	1
Balance at 2 February 2010	1
Proforma Transactions	
Minimum Subscription	
Issue of 1,500,000 shares to FerrAus Limited in accordance with the Tenement Sale Transfer Agreement	300,000
Issue of 15,000,000 shares to the public in accordance with this prospectus	3,000,000
Expenses of the offer	(328,476)
Total Proforma Transactions	2,971,525
Maximum Over-subscription Proforma Transactions	
Issue of 1,500,000 shares to FerrAus Limited in accordance with the Tenement Sale Transfer Agreement	300,000
Issue of 25,000,000 shares to the public in accordance with this prospectus	5,000,000
Expenses of the offer	(333,819)
Total Proforma Transactions	4,966,182

The accompanying notes form part of these proforma financial statements

Lawson Gold Limited
Proforma Statement of Cash Flows
For the Period 2 February 2010 until the Date of Listing

	Pre Subscription \$	Proforma Subscription \$	Proforma Maximum Over-subscription \$
Cash Flows from Operating Activities			
No operating cash flows	-	-	-
Net Cash Provided by (used in) Operating Activities	-	-	-
Cash flows from investing activities			
No investing cash flows	-	-	-
Net Cash Provided by (used in) Investing Activities	-	-	-
Cash Flows from Financing Activities			
Proceeds from share issue (net of issue costs)	1	2,640,176	4,634,299
Financing Activities	1	2,640,176	4,634,299
Net increase/(decrease) in cash held	1	2,640,176	4,634,299
Cash at incorporation	-	1	1
Cash at end of period	1	2,640,177	4,634,300

The accompanying notes form part of these proforma financial statements

Notes to the Proforma Financial Statements

As at 2 February 2010

Note 1 - Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The proforma financial report includes the financial statements and notes of Lawson Gold Limited ('the Company').

The proforma financial report of the Company complies with all International Financial Reporting Standards (IFRS) in their entirety where applicable.

The following is a summary of the material accounting policies adopted by the Company in the preparation of this and future financial reports. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Basis of Preparation

The proforma financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. The proforma financial report has been prepared on an accrual basis and is based on historical costs, modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

New and revised Standards and interpretations effective for the date of the proforma financial report that are relevant to the Company include:

- AASB 8 Operating Segments
- AASB101 Presentation of Financial Statements
- AASB 8 Operating Segments
- AASB 8 replaced AASB 114 Segment Reporting upon its effective date.
- AASB101 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The Proforma Statement of Changes in Equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The Proforma Statement of Comprehensive Income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present one statement.

(b) Significant Assumptions

Share-based payment transactions

The Company measures the cost of equity-settled transactions with Directors and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model.

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

(c) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates – Exploration and Evaluation

The Company's policy for exploration and evaluation is discussed in note 1(m). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the income statement.

(d) Incorporation

The Company was incorporated in Australia on 2 February 2010.

(e) Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

All revenue is stated net of the amount of the goods and services tax (GST).

(f) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

A provision for impairment is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair Value

Fair value is determined based on current bid prices for any quoted investments. Valuation techniques are applied to

determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(i) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:
 - when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
 - when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(l) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses

relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration, due to the basis that the restoration will be completed within one year of abandoning the site.

(n) Trade and Other Payables

Trade payables and other payables are stated at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects the risks specific to the liability.

(p) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Retained Earnings

Basic earnings per share is calculated as net profit/(loss) attributable to the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(r) Share-based Payment Transactions

The cost of these equity-settled transactions with Directors and consultants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised as an expense in the income statement, together with a corresponding increase in the share option reserve, when the options are issued.

Upon the exercise of options, the balance of share based payments reserve relating to those options is transferred to share capital.

Note 2 - Cash and Cash Equivalents

	Pre Subscription \$	Proforma Subscription \$	Proforma Maximum Over-subscription \$
Balance at 2 February 2010	1	1	1
Proceeds from issue of 15,000,000 shares	-	3,000,000	-
Proceeds from issue of 25,000,000 shares	-	-	5,000,000
Payment of estimated costs of the offer	-	(328,476)	(333,819)
GST on estimated costs of the offer	-	(31,348)	(31,882)
	1	2,640,177	4,634,300

Note 3 - Trade and Other Receivables

	Pre Subscription \$	Proforma Subscription \$	Proforma Maximum Over-subscription \$
Current	1	1	1
GST Receivable	-	31,348	31,882

Note 4 - Exploration and Evaluation Assets

	Pre Subscription \$	Proforma Subscription \$	Proforma Maximum Over-subscription \$
Balance at 2 February 2010	-	-	-
Proforma Transactions:			
Acquisition of Lawson Gold Project from FerrAus Limited	-	300,000	300,000
Exploration and rehabilitation costs payable to FerrAus Limited	-	100,000	100,000
Balance as at date of listing	-	400,000	400,000

Note 5 - Trade and Other Payables

	Pre Subscription \$	Proforma Subscription \$	Proforma Maximum Over-subscription \$
Current			
FerrAus	-	100,000	100,000
	-	100,000	100,000

Note 6 - Issued Capital

	Number of Shares	Reviewed \$	Proforma Subscription \$	Proforma Maximum Over- subscription \$
Fully paid ordinary shares on issue at 2 February 2010	1	1	1	1
Proforma Transactions				
Issue of 1,500,000 shares to FerrAus Limited	1,500,000	-	300,000	300,000
Issue of 15,000,000 shares to the public in accordance with this prospectus	15,000,000	-	3,000,000	-
Issue of 25,000,000 shares to the public in accordance with this prospectus	25,000,000	-	-	5,000,000
Expenses of the offer		-	(328,476)	(333,819)
Proforma Issued Capital		1	2,971,525	4,966,182

Note 7 - Share Based Payments

On the date of quotation the Company will grant 300,000 Share Options to Directors to vest on listing date and expiring

after 5 years. The exercise price is \$0.30 and they may be exercised at any time. The share options are only transferable to related parties of the Directors and will not be listed on the ASX.

On the same date the Company will grant 100,000 Share Options to the incoming Chairman to vest on listing date and expiring after 5 years. The exercise price is \$0.40 and they may be exercised at any time. The share options are only transferable to related parties of the Directors and will not be listed on the ASX.

On the same date the Company granted 500,000 share options to Gryphon Partners on the same terms and conditions save that the exercise price is \$0.40. Gryphon Partners has agreed not to exercise the options for a period of 12 months after issue date.

The share options have been valued using the Black-Scholes option pricing model. The Director options have been valued at \$0.159 each and the Incentive Options and Chairman Options have been valued at \$0.153 each applying the following inputs:

Share Price	\$0.20
Volatility	117.76%
Interest Plate	4.50%
Days to Expiration	1825

Note 8 - Segment Information

The Company has adopted AASB 8 *Operating Segments* and AASB 2008-3 *Amendments to Australian Accounting Standards* arising from AASB 8. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Lawson Gold Ltd has no segment revenue, profit and loss, or assets and liabilities to report as it currently does not engage in any business activities that earn revenues or incur expenses, or allow specific assets and liabilities to be attributed to its segment operations.

Note 9 - Contingent Assets and Liabilities

By agreement dated 29 June 2009, Mithril Resources granted to FerrAus the sole and exclusive option to acquire all of Mithril Resources' rights and entitlements in respect of the Royalty for the purchase price of \$225,000 (Option). The Option will expire on 6 July 2012.

This agreement was assigned to Lawson Gold at Completion under the Sale and Purchase Agreement, such that Lawson Gold now holds the option to acquire the Royalty from Mithril Resources.

In order to maintain current rights of teneure to exploration tenements the Company will be required to spend \$321,500 over the next statutory reporting period. These obligations are expected to be fulfilled in the normal course of operations.

Note 10 - Subsequent Events

There has been no material event subsequent to the period ended 2 February 2010.

7 Solicitors' Report

21 April 2010

The Directors
Lawson Gold Limited
Unit 5, 60 Hindmarsh Square
ADELAIDE SA 5000

Dear Sirs,

Solicitor's Report – Lawson Gold Limited's Mining Tenements

This report (**Report**) has been prepared for due diligence purposes in relation to a prospectus (**Prospectus**) to be issued by Lawson Gold Limited ACN 141 804 104 (**Company**) dated on or about 13 May 2010 offering for subscription 15,000,000 ordinary shares in the Company each at an issue price of \$0.20 per share to raise approximately \$3,000,000, with the right to accept oversubscriptions for an additional 10,000,000 shares to raise an additional \$2,000,000.

We have been requested to report on the mining tenements in Western Australia in which the Company has an interest (**Tenements**). Details of the Tenements are set out in the Schedule and Notes to this Report and material contracts in respect of the Tenements are set out in section 3 below. The Schedule together with the Notes to the Schedule form part of this Report.

This Report covers:

- (a) Details of searches made in respect of the Tenements;
- (b) Qualifications and Assumptions;
- (c) General information about mining tenements in Western Australia;
- (d) Overview of native title and cultural heritage issues relevant to the Tenements in Western Australia;
- (e) Aboriginal Heritage;
- (f) Details of the Tenements set out in the Schedule;
- (g) Summary of material contracts in respect of the Tenements.

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1 Opinion

As a result of our searches and enquiries, subject to the assumptions, qualifications and exceptions set out in this report, we are of the opinion that:

- (a) the information included in this report is accurate statement as to the status of the Tenements and the details of the registered holders as at 19 April 2010;
- (b) all applicable rents and other fees due under the Mining Act 1978 (WA) (**Mining Act**) in respect of the Tenements have been paid;
- (c) the granted Tenements M27/262, M27/263, M27/264, M27/265 and E27/345 have combined reporting status and have been granted exemption from expenditure requirements which apply to the individual tenements in that group;
- (d) all expenditure requirements under the Mining Act have been complied with;
- (e) the Company rights to explore and mine the Tenements are subject to the various conditions as noted in the Schedule;
- (f) all applications for determination of native title which affect the Tenements are noted in the Schedule.

2 Key Highlights of the Tenements

Key highlights of the Tenements:

- (a) The Company project comprises a total of five (5) granted Tenements and a Tenement application.
- (b) Four (4) of the Tenements, M27/262, M27/263, M27/264 and M27/265, are granted Mining Leases and the remaining granted Tenement, E27/345 is a granted Exploration Licence.
- (c) The Tenement application, E27/432, is for Exploration Licence.
- (d) The Company will acquire the granted Tenements from FerrAus under the terms of a Sale Agreement (**Sale Agreement**) with FerrAus dated on or about 19 March 2010 for a total consideration of 1,500,000 ordinary shares in the capital of the Company.
- (e) All of the granted Tenements will be beneficially owned 100% by the Company following completion of the Sale Agreement. The granted Tenements are registered in the name of FerrAus Limited (**FerrAus**). It is a covenant and condition of a mining lease that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister. The prior approval of the Minister must be obtained for the transfer of the Mining Leases to the Company.
- (f) The Tenement application, E27/432, is in the name of Lawson Gold Limited.
- (g) All of the Tenements are 100% over Pastoral Leases save for an underlying tenure area of 1.4% of M27/265 which is DOLA land reserved as sanitary and rubbish disposal sites and 0.1% of E27/432 which is on a road reserve 2.1% of E27/432 which is a restricted explosives site. Of the remaining 98.6% of M27/265 65% is over Pastoral Lease PL3114/925 (Mt Vettors) and 33.6% is over Pastoral Lease PL398/707 (Mt Vettors). Of the remainder of E27/432 27.5% is over Pastoral Lease PL3114/925 (Mt Vettors) and 70.2% is over Pastoral Lease PL398/707 (Mt Vettors). 100% of each of M27/262, M27/263 and M27/264 is over Pastoral Lease PL3114/925 (Mt Vettors). 98.4% of E27/345 is over Pastoral Lease PL398/707 (Mt Vettors) and the remaining 1.6% is over Pastoral Lease

I322012 (Gindalbie). Compensation is not payable under the Mining Act to a pastoral lessee for deprivation of the possession of the land. However compensation is payable under the Mining Act to a pastoral lessee for any damage to improvements on the land caused by the tenement holder and for any substantial loss of earnings suffered by the pastoral lessee resulting from mining by the tenement holder. It is not necessary to conclude an agreement with a pastoral lessee as to compensation before a mining tenement application can be granted. However it is not uncommon for tenement holders and pastoral lessees to enter into such agreements. We have been informed by the Company that there is no compensation agreement with either the pastoral lessee of the Mt. Vettors pastoral lease or the pastoral lessee of the Gindalbie pastoral lease concerning the Tenements.

- (h) There are two registered claims by Native Title Parties in respect of the whole area covered by each of the Tenements.
- (i) The Widji People Claim Federal Court number WAD 6243/98 and NNTT number WC 98/27 covers the whole area of each of the Tenements. This claim was registered from 15/06/1998.
- (j) The Central East Goldfields People Claim Federal Court number WAD 70/98 and NNTT number WC 99/30 covers the whole area of each of the Tenements. This claim was registered from 04/10/1999.
- (k) The Maduwongga People Claim Federal Court number WAD 76/97 and NNTT number WC 99/9 covers the whole area of the Tenements but the claim was not accepted for registration by the National Native Title Tribunal ('NNTT') and the time for appeal against the decision has long since passed. Unregistered claims do not have access to procedural rights under the Native Title Act 1993 (Cth) ('NTA' or 'Native Title Act').
- (l) Under the NTA the grant of a mining lease is a "future act". A future act will be valid only if the requirements of the NTA were complied with. The Western Australian Department of Mines and Petroleum (DMP) has informed us that the requirements of the NTA were complied with in relation to the four (4) Mining Leases, M27/262, M27/263, M27/264 and M27/265, and E27/345 prior to grant. Accordingly the four (4) Mining Leases, M27/262, M27/263, M27/264 and M27/265, and E27/345 have been validly granted under the NTA.
- (m) At present there are no Native Title compensation agreements with Native Title Parties in respect of the areas covered by the Tenements. However there is an Agreement for Heritage Protection between FerrAus and the Central East Goldfields Native Title Claim Group (**Heritage Agreement**) in respect of the granted Tenements dated 1 January 2008. The Heritage Agreement also applies to an exploration licence E 27/209 which has now expired. The Heritage Agreement enables FerrAus to continue to exercise its rights under the Mining Act in respect of the Mining Leases and E 27/209 and ensures that in the exercise of rights under all present and future tenements in the Central East Goldfields Native Title Claim Area by FerrAus Aboriginal Sites are protected. Provided FerrAus complies with its obligations under the Heritage Agreement the Central East Goldfields Native Title Claim Group has agreed not to lodge an objection to the grant of any application, including E27/345. The Heritage Agreement provides for certain anthropological surveys to be carried out at the cost of FerrAus. The Heritage Agreement contains an assignment clause. This provides that FerrAus may assign the whole or part of its interest in the Heritage Agreement to an assignee of the whole or part of the tenements to which the Heritage Agreement applies provided that the assignee covenants to be bound by the terms of the Heritage Agreement.
- (n) On completion of the Sale Agreement the Company must enter into an assignment with FerrAus of the Heritage Agreement as it relates to the Tenements.
- (o) There is one security bond 206754 for \$5,000 lodged 3 Dec 2004 in respect of M27/263. There are no other performance bonds against any of the Tenements. It will be necessary on completion for security bond 206754 to be transferred from the present performance bond facility and for the Company to provide an alternative facility of an equivalent amount to support the security bond on an ongoing basis.

- (p) Arrangements have been approved for combined mineral exploration reports to be filed for all of the granted Tenements instead of the usual requirement of having to file separate reports with the operations report for each granted Tenement.
- (q) All of the granted Tenements met combined expenditure requirements in 2009. In 2009 the minimum expenditure requirement for E27/345 was \$20,000 but the actual expenditure was \$215,314.00. Individually of the other Tenements in the combined reporting group in 2009, M27/262 was underexpended by \$39,683.00, M27/263 was underexpended by \$16,688.00, M27/264 was underexpended by \$40,616.00 and M27/265 was underexpended by \$21,632.00. The granted Tenements M27/262, M27/263, M27/264, M27/265 and E27/345 have combined reporting status and the holder of the granted Tenements has been granted exemption from expenditure requirements for the given expenditure year. This means the granted Tenements cannot be the subject of plaintiff proceedings to the extent that the holder has complied with the conditions specified in the exemption certificate.
- (r) Two granted Miscellaneous Licences and one application for a Miscellaneous Licence affect the Tenements.
- (s) L27/75 (held by MPI Nickel Pty Ltd) is a granted miscellaneous licence for a road and a water pipeline and traverses M27/265 and encroaches over 6.4% of M27/265. L27/58 (Held by MPI Nickel Pty Ltd), is a granted miscellaneous licence for a road, a powerline and a water pipeline and traverses E27/345 and encroaches over 0.1% of E27/345. We have been informed by the Company that there are no access or similar agreements with MPI Nickel Pty Ltd concerning the Tenements in respect of either L27/75 or L27/58.
- (t) L27/80 (Applied for by Anglogold Ashanti Australia Limited / Independence Group NL) is an application for a miscellaneous licence for a road, a powerline and a water pipeline and is proposed to traverse M27/263 and encroach over 0.8% of M27/263. There have been numerous objections lodged against L27/80 including one by FerrAus under Objection No. 338859. The grounds of the objection are that the grant of the miscellaneous licence and the proposed operations of the Applicant will have a detrimental effect on and interfere with the activities of FerrAus. We understand that on completion an indemnity will be granted to FerrAus and FerrAus will grant the Company a power of attorney to enable the Company to have the benefit and conduct of the objection at the cost of the Company.

3 Highlights of Material Contracts

The Company has the following material contracts in respect to the Tenements:

- (a) The Sale Agreement - please see section 2(d) for details.
- (b) The Heritage Agreement – please see section 10 for details.

4 Searches

For the purposes of this Report we have conducted the following searches in respect of the Tenements:

- (a) Title Searches
 - (i) searches of the Register maintained by the DMP pursuant to the Mining Act 1978 for the Tenements in Western Australia dated 19 April 2010.
 - (ii) 'Quick Appraisal' Tengraph on-line searches obtained from DMP for the Tenements dated 19 April 2010.
- (b) Native Title Searches
 - (i) searches of the Register of Native Title Claims ('RNTC') maintained by the NNTT provided on 19 April 2010, including extracts from the RNTC;

(ii) reviewed online 'application summary' at www.nntt.gov.au from a schedule of native title applications maintained by the NNTT in respect of each native title claim not appearing on the RNTC;

(iii) reviewed online information at www.nntt.gov.au derived from the Register of Indigenous Land Use Agreements maintained by the NNTT under the Native Title Act. On-line searches indicate that no Indigenous Land Use Agreement ('ILUA') or proposed ILUA appears on the Register of Indigenous Land Use Agreements in relation to any area covered by the Tenements; and

(iv) enquiries of relevant officers of the NNTT and the DMP.

(c) Aboriginal Heritage Searches

Searches of the online register of Aboriginal heritage sites maintained by the Department of Indigenous Affairs ('DIA') in Western Australia to search for any Aboriginal sites on that register established under the Aboriginal Heritage Act 1972 (WA) on 19 April 2010.

Searches reveal that there are registered Aboriginal heritage sites in the areas covered by the Tenements in Western Australia.

(d) Published Literature

Information regarding the interests of and contracts that FerrAus has with other parties was gathered from published literature from the ASX and website, agreements supplied by the Company.

5 Qualifications and Assumptions

This Report is based on, and subject to, the following assumptions and qualifications:

- (a) We have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of searches, being accurate, current and complete as at the date of its receipt by us.
- (b) We have relied upon details of agreements which have been disclosed by the Company; those details may not have been fully or accurately disclosed and there may be other agreements of which we are not aware that may materially affect the information in this report.
- (c) References in the Schedule are taken from details shown on the searches we have obtained from the relevant departments referred to in section 4 above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of Tenement areas or the areas of the relevant native title claims.
- (d) Our review of the Register of Indigenous Land Use Agreements indicates that no ILUA has been registered in relation to the area covered by the Tenements. We have assumed that no agreements exist with registered or unregistered native title claimants allowing use of the land covered by the Tenements.
- (e) Statements made in respect of the standing of the Tenements are based only on the information contained in the relevant search on the instrument of title for the Tenements.
- (f) As far as we are aware there have been no material changes in the standing of the Tenements since the date of our investigations.
- (g) Where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.

- (h) Native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that additional native title claims could be made in the future.
- (i) Aboriginal heritage sites or objects (as defined in the Aboriginal Heritage Act (WA) 1972 or under the Aboriginal and Torres Strait Islander Heritage Protection Act (Cth) 1984) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.
- (j) The information for the material contracts was obtained from agreements supplied by the Company and FerrAus. Not all original documents were sighted and therefore the accuracy of information can not be assured.

6 General Information about Exploration Licences and Mining Leases in Western Australia applicable to the Tenements

(a) Tenement Applications

The rights attaching to the grant of a Tenement (outlined below) do not attach to a tenement application. Applicants for a right over a mining tenement do not acquire any title to the land the subject of the application unless and until the application is granted. If the Minister (on the recommendation of the Mining Registrar or the Warden) refuses to grant the application, there is no avenue of appeal (except for the right to judicial review of the decision under administrative law).

Lodging the tenement application, however, does grant the right of priority to the consideration of the applications to the holder. Priority in this case is based on the time of the lodgement of a valid application.

(b) Exploration licences

(i) Licence Area

Exploration licences are described by graticular blocks, which range in area from approximately 2.8km² to 3.3km² depending on where the block is located in the State. The holder of an exploration licence is permitted to carry out certain exploratory activities with respect to its area, subject to any conditions imposed on the grant of the licence. Exploration licences may be granted for areas not exceeding 70 blocks unless the Minister has designated areas of the State that may be made the subject of applications for exploration licences up to 200 blocks.

(ii) Duration of Licence

An exploration licence applied for on or after the 11 February 2006, remains in force for 5 years and a possibility of renewal by the Minister in certain circumstances for a period of 5 years and then a further period or periods of 2 years.

(iii) Compulsory Statutory Reduction of Licence Area

The holder of an exploration licence applied for on or after the 11 February 2006 must lodge a compulsory surrender of 40% of the number of blocks that are the subject of the licence at the end of the 5th year of the term. There are grounds for obtaining a one year deferral from compulsory partial surrender for exploration licences applied for after 11 February 2006.

(iv) Retention Status

The holder of an exploration licence applied for after 11 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of an exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

(v) Right to Apply for Mining Leases

The WA Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the WA Mining Act, have granted one or more mining leases over any part of the land the subject of that licence. The Mining Act Amendments will limit the ability to apply for mining leases to instances where the Director, Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. Significant mineralisation is defined in the Mining Act Amendments as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

(vi) First Year of Licence

Under the Mining Act, an exploration licence, or an interest therein, may not, during the first year of the term of the licence, be assigned, transferred, sublet or made the subject of any trust or other dealing, whether directly or indirectly, without the written consent of the Minister, and any such transaction entered into without such consent will be void.

(c) Mining Leases

(i) Application for a Mining Lease

The holder of an exploration licence has, subject to the Mining Act, the right to apply for and have granted a mining lease over the land the subject of the exploration licence. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Applications for mining leases are not transferable, except when a mining lease application wholly within the area of the exploration licence, is transferred and the mining lease application then continues in the name of the transferee if the transferee was the applicant.

(ii) No Assignment

It is a covenant and condition of a mining lease that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister.

(iii) Duration and Rights of a Mining Lease

A mining lease remains in force for up to 21 years from the date of grant. The maximum area over which a mining lease may be granted before 11 February 2006 was 10km², since 11 February 2006 the area is unrestricted. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent. A mining lease entitles the holder to exclusive possession of the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a Programme of Work being approved by DMP.

(d) Other Obligations

The Mining Act also imposes obligations upon the holder of a mining tenement in relation to entry to and use of land, notice requirements and compensation to the landholder. The tenement holder must give written notice to landholders of the relevant land (including native title holders), before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the Mining Act. The holder of a mining tenement is also required to compensate every person having an interest in any land upon which mining operations are carried out in pursuance of the Mining Act, and this includes persons holding native title in the relevant land. Compensation may be by agreement or determined by the Court. Obligations are also imposed in relation to compliance with environmental, conservation and heritage obligations and rehabilitation requirements.

(e) Conditions of Tenements

Mining tenements in Western Australia are granted subject to various conditions prescribed by the WA Mining Act including payment of rent, expenditure and reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement. The rent and expenditure obligations and current status of these for the Tenements are set out in the Schedule along with the endorsements and conditions affecting the Tenements. Failure to comply with a condition, to which the tenement is subject, such as the payment of rent or compliance with prescribed expenditure conditions, will render the tenement liable to forfeiture by the Minister (or alternatively the Minister may impose a penalty of up to \$50,000). Further, where the expenditure conditions have not been complied with (or relieved by the grant of an exemption) any person may apply to the mining warden for the forfeiture of the licence. The Warden may only recommend forfeiture where the non-compliance is of sufficient gravity to justify forfeiture and alternatively may impose a penalty of up to \$10,000.

(f) Other Statutory Requirements

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including but not limited to the Aboriginal Heritage Act 1972, Environmental Protection Act 1986, Rights in Water and Irrigation Act 1914 and Conservation and Land Management Act 1984.

7 Native Title - Overview

(a) Recognition of Native Title

In June 1992 the High Court of Australia delivered judgement in *Mabo v Queensland (No.2)* and for the first time the common law of Australia recognised the continuing existence of Aboriginal native title rights to their traditional land and waters following the colonisation of Australia by European settlement.

Generally, these native title rights to land and water will be recognised if:

- (i) the claimants can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since British settlement in 1788; and
- (ii) the native title rights have not been lawfully extinguished.

The High Court held that native title could be extinguished by the valid exercise of governmental powers provided there was a clear and plain intention to do so. Further, in order for extinguishment to be lawful it must comply with the obligations imposed by the Racial Discrimination Act (Cth) 1975.

After the *Mabo* case, considerable uncertainty existed surrounding the validity of proprietary rights in Australia, including mining tenements, and as a consequence the NTA was enacted by the Commonwealth Parliament and

came into operation on 1 January 1994. The Native Title Act was substantially amended in 1998 in response to the decision of the High Court in *Wik People v Queensland* which recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with the rights under a pastoral lease.

In summary, the Native Title Act:

- (i) provides for recognition and protection of native title;
- (ii) establishes a regime by which claims for native title and compensation can be determined by the Federal Court of Australia;
- (iii) provides procedures by which any future act affecting native title (such as the grant of a mining tenement) may be validly undertaken and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate';
- (iv) makes valid certain 'past acts' which would otherwise be invalidated because of native title;
- (v) extinguishes native title by the grant of private freehold title and exclusive possession tenures such as freeholding leases. The grant of a freehold interest in land is considered so inconsistent with the continued enjoyment of native title rights that it extinguishes native title and once extinguished native title cannot be revived;
- (vi) establishes the position of a Native Title Registrar with responsibility to consider whether claims filed pass the requirements of the 'registration test', maintain registers of native title claims, proven native title and Indigenous Land Use Agreements, and provide mediation services to parties to native title applications; and
- (vii) establishes the National Native Title Tribunal, with responsibility to assist the Native Title Registrar and provide services and support to parties to native title claims.

(b) Native Title Claims

The NTA provides for procedures whereby a claimant may lodge an application for a determination of native title with the Federal Court. Once a native title claim has been lodged, the Federal Court will refer the claim to the Native Title Registrar who must determine whether the claim meets certain conditions concerning the merits of the claim, and certain procedural and other requirements set out by the NTA ('Registration Test').

If the Native Title Registrar is satisfied that the claim meets the Registration Test, the claim will be entered on the Register of Native Title Claims maintained by the NNTT. If a claim fails to meet the Registration Test it may still be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Both registered and unregistered native title claims proceed through the mediation and determination process in the Federal Court. However, claimants of unregistered claims are not usually afforded certain procedural rights under the NTA, including rights of notification and rights to negotiate in relation to activities such as the grant of mining tenements on the land the subject of their unregistered claim.

(c) The 'Right to Negotiate' and The Future Act Regime

The NTA provides procedures for the benefit of registered native title claimants that are collectively known as the future act regime. After registration of their native title claim, claimants will be entitled to the 'right to negotiate' with respect to certain proposed future acts that may affect native title. The granting of a mining tenement in Western Australia constitutes an act that may affect native title. In WA, the State gives notice of its intention to proceed with the grant of a tenement either under the 'right to negotiate' process operated by the DMP or under the expedited procedure.

Generally, in relation to exploration licences and prospecting licences, the State issues a notice including a statement that the tenement should be granted under the expedited procedure. This means the tenement will be granted without negotiations with any native title claimants. Registered claimants may lodge an objection to this within 4 months after the notification date. If there are no objections lodged within the 4 month period, the NNTT does not become involved and the State may proceed to grant the tenement in accordance with the *Mining Act* procedures. If one or more objections are lodged the matter is referred to the NNTT. The parties may negotiate; agree that the proposed future act is an act attracting the expedited procedure and consent to a determination that the expedited procedure applies. In such cases, the State will proceed to grant under the *Mining Act*.

If the parties do not reach agreement, the NNTT must determine the matter. If the NNTT decides that the expedited procedure does apply, the State may proceed to grant the tenements. Alternatively, if the NNTT determines that the expedited procedure does not apply, the process for grant of the tenement must comply with the 'right to negotiate' provisions of the NTA administered by the DMP. Under the NTA, the expedited procedure will not apply if the grant of the exploration licence or prospecting licence is likely to interfere with the community or social activities on the land, areas or sites of particular significance, or involve major disturbance to any land or waters.

The right to negotiate provisions of the NTA require the parties (i.e. the State, the tenement applicant and the registered native title claimants) to negotiate in good faith for a period of not less than 6 months following the publication of the State's notice that it intends to grant the tenement. If no agreement is reached within that time, the matter may be referred to the NNTT for determination as to whether, under the NTA, the tenement may be granted. If it determines that the tenement may be granted, the NNTT may impose conditions on the grant additional to those imposed under the *Mining Act*.

If the right to negotiate procedure applies in relation to a future act but is not complied with, the act will be invalid to the extent that it affects native title.

(d) Proving a Native Title Claim

Whether a native title claim is registered or unregistered, the native title claimants must prove that their claimed native title rights exist in the Federal Court, in order to have their claimed native title rights formally recognised. Native title claims may be resolved through a full trial or may be the subject of a consent determination following a successful mediation process. If a native title claim is successfully proved, the then current holder of any mining tenement may be liable for compensation for any effect of the grant of that tenement on the native title proved to have existed. As yet, there has not been any determination of a compensation claim of this kind in Australia.

8 Native Title – Western Australia

(a) Current Policy

As at the date of this Report, the Western Australian government's current policy in respect of the assessment of applications for the grant of exploration licences and prospecting licences engages the operation of the future act regime where the grant of such tenements may affect native title.

Under the present guidelines, the applicant for the grant of a tenement may provide evidence to the DMP, in the manner required by the guidelines, that it has executed a standard form heritage agreement or an alternative heritage agreement is in place with a native title representative body ('NTRB') or with native title parties not represented by a NTRB. In those circumstances, the WA government, in giving notification of the application for the grant of a prospecting or exploration licence required under Section 29 of the NTA, will apply the expedited procedures set out in Section 32 of the NTA. Provided that objection is not lodged by an interested native title claimant or party, and provided that a heritage agreement of the type above referred is executed by the NTRB or

relevant claimants or parties, the application may proceed to grant without further consideration of native title issues. If an executed heritage agreement is not signed by the parties, the NTA right to negotiate regime will be engaged and the applicant for the licence will need to negotiate in good faith together with the State and the native title claimant to progress the application to grant.

(b) There are several current native title claims affecting the Tenements specified in section 9 below.

(c) Validity of Granted Tenements

(i) Tenements granted prior to 1 January 1994

Under the NTA, tenements granted in Western Australia prior to 1 January 1994 are deemed to be valid and native title (if any exists) has been suspended by their grant.

According to our DMP searches, none of the Tenements were granted prior to 1 January 1994.

(ii) Tenements granted after 1 January 1994

Unless native title had previously been extinguished in respect of the land upon which the Tenements were granted, these Tenements would necessarily attract the operation of the future act provisions of the NTA and engage the right to negotiate procedures to the extent that the grant of those Tenements might affect native title.

Accordingly, the granted Tenements will be valid provided that the future act regime under the NTA was followed by the relevant parties.

9 Native Title Claims

(a) The following Native Title claims exist in relation to the Tenements:

(i) The Widji People Claim Federal Court number WAD 6243/98 and NNTT number WC 98/27 covers the whole area of each of the Tenements. This claim was registered from 15/06/1998.

(ii) The Central East Goldfields People Claim Federal Court number WAD 70/98 and NNTT number WC 99/30 covers the whole area of each of the Tenements. This claim was registered from 04/10/1999.

(iii) The Maduwongga People Claim Federal Court number WAD 76/97 and NNTT number WC 99/9 covers the whole area of the Tenements but the claim was not accepted for registration by the National Native Title Tribunal ('NNTT') and the time for appeal against the decision has long since passed. Unregistered claims do not have access to procedural rights under the Native Title Act 1993 (Cth) ('NTA' or 'Native Title Act').

10 Agreements with Native Title Parties

There are no compensation agreements with Native Title Parties in respect of the areas covered by the Tenements. However there is an Agreement for Heritage Protection between FerrAus and the Central East Goldfields Native Title Claim Group (**Heritage Agreement**) in respect of the Tenements dated 1 January 2008.

The Heritage Agreement also applies to an exploration licence, E 27/209 which has now expired. The Heritage Agreement enables FerrAus to continue to exercise its rights under the Mining Act in respect of the Mining Leases and E27/345 and ensures that in the exercise of rights under all present and future tenements in the Central East Goldfields Native Title Claim Area by FerrAus Aboriginal Sites are protected. Provided that FerrAus (or the Company as its assignee) complies with its obligations under the Heritage Agreement the Central East Goldfields Native Title Claim Group agreed not to lodge an objection to the grant of E27/345 (now granted).

The precise wording used means that the Heritage Agreement provisions relating to non objection to applications apply only to E27/345 and not to any future application for an exploration licence made from time to time over the Native Title Area. The Heritage Agreement provides for certain anthropological surveys to be carried out at the cost of FerrAus. The Heritage Agreement contains an assignment clause. This provides that FerrAus may assign the whole or part of its interest in the Heritage Agreement to an assignee of the whole or part of the tenements to which the Heritage Agreement applies provided that the assignee covenants to be bound by the terms of the Heritage Agreement. The assignment should take effect from the completion of the transfer of the granted tenements.

11 Aboriginal Heritage

Both Commonwealth and State legislation protect and provide for the preservation of places, areas, and objects of significance to Aboriginal people in accordance with Aboriginal traditions. Even if native title has been extinguished, the notion of an Aboriginal person's traditional land and the spiritual and cultural value of sites on the land will remain. The Commonwealth Aboriginal and Torres Strait Islander Heritage Protection Act 1984 provides the Commonwealth Minister with power to make declarations for the protection and preservation of an area or object that is of Aboriginal significance. Before making a declaration, the Commonwealth Minister must commission a report in relation to the area. We are informed by the Company that it is not aware of any application having been made under The Commonwealth Aboriginal and Torres Strait Islander Heritage Protection Act 1984 in relation to the Tenements.

In Western Australia, the Aboriginal Heritage Act 1972 protects all Aboriginal sites and objects of significance to Aboriginal persons on or under an Aboriginal site whether or not those sites are registered on the Register of Aboriginal Sites established by that Act. Although the Aboriginal Heritage Act 1972 encourages the registration of Aboriginal sites, the Aboriginal Heritage Act 1972 protects all Aboriginal sites, whether registered or not.

Searches reveal that there are 2 registered Aboriginal heritage sites in the areas covered by the granted Tenements and 5 registered Aboriginal heritage sites in the area covered by the Tenement application E27/432 details of which are set out in the Schedule and Notes which means that strictly exploration activities cannot be carried on at those sites. In conducting exploration activities on the granted Tenements or on any exploration licence granted pursuant to the application for E27/432, the Company must comply with all the requirements of the Aboriginal Heritage Act 1972 and The Commonwealth Aboriginal and Torres Strait Islander Heritage Protection Act 1984. In practice this will entail obtaining the co-operation of Aboriginal traditional owners.

The Aboriginal Heritage Act 1972 does not provide a mechanism for determining the existence of Aboriginal sites, although the register enables sites to be identified. Accordingly, to ensure that all sites in an area are avoided, the practice has developed for exploration and mining companies to undertake Aboriginal heritage surveys with Aboriginal traditional owners to identify ethnographic sites and to undertake archaeological surveys to identify archaeological sites.

Under Section 18 of the Aboriginal Heritage Act 1972 the Minister for Indigenous Affairs has a discretion to give consent for land to be used for a purpose which would "otherwise be likely to result in a breach" of the Act. Before the Minister gives consent, an evaluation of the site and a recommendation must first be made by the Aboriginal Cultural Material Committee. Under the DIA guidelines, the proponent must undertake an Aboriginal heritage survey and consult traditional owners before making an application under Section 18.

We are informed that the Company is aware that an Aboriginal heritage survey Report ID 22691 by Daniel De Gand had been undertaken in relation to M27/263 and M27/263 but a copy of the report was not available.

Please see Section 10 above for details of the Heritage Agreement.

12 Tenement Obligations

The rent and expenditure obligations for the Tenements are set out in the Schedule. Endorsements, conditions and dealings affecting the Tenements are summarised in the Schedule.

13 Conclusion

We consider that this report provides an accurate statement as to the status of the Tenements as at 21 April 2010. Please contact us if you have any further queries.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Hardy Bowen', with a stylized flourish at the end.

Hardy Bowen

Lawsons Gold Limited Schedule of Tenements

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Bonds	Aboriginal Heritage	Native Title
E27/345	Live	FerrAus Ltd	27/11/2007	26/11/2012	8 BL	\$1,476.64 (paid in full)	\$20,000 Expended in full	1, 2, 3, 5 to 8, 10, 11, 14, and 22.	None	See Part 4	See Part 3
M27/262	Live	FerrAus Ltd	08/07/1997	07/07/2018	625.00 HA	\$9,762.50 (paid in full)	Exemption recorded Under expend by \$39,683	1, 4 to 11, 16 and 17.	None	See Part 4	See Part 3
M27/263	Live	FerrAus Ltd	08/07/1997	07/07/2018	792.85HA	\$12,386.66 (paid in full)	Exemption recorded Under expend by \$16,699	1, 4 to 13, 15 to 20.	Security Bond 206754 for \$5,000 lodged 3 Dec 2004	See Part 4	See Part 3
M27/264	Live	FerrAus Ltd	08/07/1997	07/07/2018	763.00 HA	\$11,918.00 (paid in full)	Exemption recorded Under expend by \$40,616	1, 4 to 12, 16 and 17.	None	See Part 4	See Part 3
M27/265	Live	FerrAus Ltd	08/07/1997	07/07/2018	834.00 HA	\$13,027.00 (paid in full)	Exemption recorded Under expend by \$21,632	1, 4 to 12, 16, 17 and 21.	None	See Part 4	See Part 3
E27/432	Pending	Lawson Gold Limited	16/03/2010 Objections close 20/04/2010	N/A	3 BL	\$323.40 (paid in full)	N/A	N/A	N/A	See Part 4	See Part 3

Legend

E & C – Endorsement and Conditions M – Mining Lease E – Exploration Licence HA – hectares BL – blocks NTA – Native Title Agreement

N/A - Information is either not applicable or not available

Tenement Summary

Schedule

The details set out in the Tenement schedule above and in the Tenement schedule notes on the following pages are a review of publicly available information obtained from searches and documents supplied by the Company. The results of the searches are described and the rights conferred by the exploration titles and applications in which the Company has an interest are outlined in the Tenement schedule.

The Tenement schedule and notes set out extensive information about the Tenements. The information includes details of the Tenements, their status, location, grant or application dates (as applicable), expiry dates, rentals, minimum expenditure requirements, applications for exemption from expenditure obligations, associated securities, encumbrances over the Tenements, applications for conversions to mining leases, the identities of the parties who lodged caveats over titles and the basis upon which they were lodged, overlapping Tenements, native title claims, heritage protection agreements, Aboriginal nature reserves (including whether consents to mine have been granted or not yet requested) and relevant sections of the Mining Act 1978 of Western Australia under which applications for exploration licences were made or which govern granted exploration licences.

Tenement Schedule Notes

1. Standard endorsements in relation to Aboriginal Heritage.
2. Standard endorsements in relation to environmental protection. The lessee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. Standard endorsement that the grant of this licence does not include the land the subject of prior exploration licence. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional Provisions Relating to Geocentric Datum of Australia".
4. Requirements to survey the Tenement.
5. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
6. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DoIR. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
7. Standard conditions for the removal of waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings from the mining tenement prior to or at the termination of exploration program.
8. Standard condition that the written approval of the Environmental Officer, DoIR be obtained before the use of drilling rigs, scrapers, graders, bulldozers, backhoes, or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
9. Standard conditions that no developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment; and until his written approval has been obtained.

10. Standard condition that the licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanised equipment.
11. Standard conditions for the licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of the grant of the Licence, or registration of a transfer introducing a new licensee, advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
12. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
13. Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.
14. The rights of ingress to and egress from Miscellaneous Licence 27/58 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
15. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled "Low Impact Mining - Notice of Intent for Scraping and Detecting on Mining Lease 27/263" (NOI 4861) dated 25th November 2004 and signed by Mr Rod Hodges, and copy retained on Department of Industry & Resources File No E0257/200401.
16. Standard endorsement when persons claiming native title to the land the subject of this mining tenement enter into a deed under the Native Title Act 1993 with the State of Western Australia, the Minister for State Development and the tenement holder agreeing to the grant of the tenement. Copies of the deed are given to the National Native Title Tribunal pursuant to section 34 of the Native Title Act and filed at the DoIR.
17. M27/262: The lessee is liable for the payment of any compensation under the Native Title Act 1993 payable to a native title holder as a result of the grant of the lease or any activities conducted by the lessee in connection with the lease. (The term "native title holder" has the same meaning as that term in the Native Title Act 1993).
18. M27/263: The lessee arranging lodgement of a Bond in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of \$5,000.
19. The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.
20. All topsoil being removed ahead of all mining operations from sites such as pit areas, waste disposal areas, ore stockpile areas, pipeline, haul roads and new access roads and being stockpiled for later resspreading or immediately resspread as rehabilitation progresses.
21. The prior written consent of the Minister for Mines being obtained before commencing mining on Rubbish Disposal Site Reserve 4288 and Sanitary Site Reserve 4289.
22. In respect of the area covered by this licence if the Widji People (being the applicants in Federal Court Application No WAD6243/98 (WC98/027) send a request by pre-paid post to the licensee's or agent's address, not more than ninety (90) days after the grant of this licence, the licensee shall within thirty (30) days of the request execute in favour of the Widji People the Regional Standard Heritage Agreement (RSA) endorsed by peak industry groups and the Goldfields Land and Sea Council.

Underlying Land Holding

1. All of M27/262, M27/263 and M27/263 are 100% over Pastoral Lease 3114/925 (Mt. Vettters). M27/265 is 65% over Pastoral Lease 3114/925 (Mt. Vettters), 33.6% over Pastoral Lease 398/707 (Mt. Vettters) and 1.4% over DOLA Sanitary and Rubbish sites. E27/345 is 98.4% over Pastoral Lease 3114/925 (Mt. Vettters) and 1.6% over Pastoral Lease 1322012 (Gindalbie). In respect of E27/432 27.5% is over Pastoral Lease PL3114/925 (Mt. Vettters) and 70.2% is over Pastoral Lease PL398/707 (Mt. Vettters). Of the remainder of E27/432 0.1% is on a road reserve and 2.1% is a restricted explosives site.

Native Title

1. There are two registered claims by Native Title Parties in respect of the whole area covered by the Tenements.
2. The Widji People Claim Federal Court number WAD 6243/98 and NNTT number WC 98/27 covers the whole area of the Tenements. This claim was registered from 15/06/1998.
3. The Central East Goldfields People Claim Federal Court number WAD 70/98 and NNTT number WC 99/30 covers the whole area of the Tenements. This claim was registered from 04/10/1999.
4. The Maduwongga People Claim Federal Court number WAD 76/97 and NNTT number WC 99/9 covers the whole area of the Tenements but the claim was not accepted for registration by the National Native Title Tribunal ('NNTT') and the time for appeal against the decision has long since passed.

Aboriginal Heritage Sites

Legend

Status

L - Lodged

Access

O - Open

C - Closed

Restriction

M - Male access only

F - Female access

	Tenement	No. of Sites	Site ID	Status	Access	Restriction	Name	Site Type	Additional Features
1	E27/345	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	M27/262	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	M27/263	1	22607	L	O	None	Kanowa Gnamma Holes	N/A	Natural Feature
4	M27/264	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	M27/265	1	21975	L	O	None	Black Swan Camp	Man Made	Artefacts
6	E27/432	1	18381	L	O	None	Black Swan Ore	Artefacts	Scatter
7	E27/432	1	22700	L	C	F	Gordon Road Clay Pan	Ceremonial	Coordinates not available for closed sites
8	E27/432	1	22701	L	C	F	Gordon Road Clay Pan 2	Ceremonial	Coordinates not available for closed sites
9	E27/432	1	22702	L	C	F	Gordon Road Clay Pan 3	Ceremonial	Coordinates not available for closed sites
10	E27/432	1	22703	L	C	F	Gordon Road Rock Outcrop	Ceremonial	Mythological. Coordinates not available for closed sites

8 Material Contracts

Set out below are summaries of the more important provisions of contracts to which the Company is a party and which are or may be material in terms of the Offer or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offer.

8.1 Sale and Purchase Agreement

Lawson Gold entered into a Sale and Purchase Agreement with FerrAus Limited (**FerrAus**) on 19 March 2010, under which FerrAus agreed to sell to Lawson Gold the Tenements, all associated Mining Information and FerrAus' rights and interest in the Mithril Option Agreement (**Sale Assets**) for the issue and allotment of 1,500,000 Shares.

The transfer of the Tenements was conditional on approval being obtained from the Minister under the Mining Act. Approval from the Minister was obtained on 13 April 2010 and completion of the sale and purchase of the Sale Assets occurred on 23 April 2010.

As part of the transaction, FerrAus agreed to pay all Maintenance Amounts being amounts for:

- Lawson Gold's working capital requirements during the period from the incorporation Lawson Gold to the Listing Date;
- all costs connected with obtaining the approval of the Minister in relation to the transfer of the Tenements;
- the negotiation, preparation, execution, stamping, registration and giving of effect to Sale and Purchase Agreement and the transfers of the Tenements to Lawson Gold;
- the replacement bond in respect of ML 27/263;
- all reasonable costs incurred in respect of any exploration activities conducted on the Tenements and any evaluation of samples derived from the Tenements, including assaying, from the date of incorporation of Lawson Gold until the date Lawson Gold is listed on the ASX, provided those exploration or evaluation activities have been approved or requested by Director, Mr David Turvey, on behalf of Lawson Gold;
- the rent and statutory charges payable under the Mining Act and rates, if applicable, in respect of the Tenements and any amounts required to maintain the validity and good standing of the Tenements (including the cost of activities conducted on the Tenements by or with the approval of Lawson Gold to satisfy any unsatisfied work or expenditure requirements during the period from the date of the Sale and Purchase Agreement until the Listing Date);
- all costs associated with any rehabilitation activities undertaken on the land the subject of the Tenements to remediate any environmental liabilities during the period from the date of the agreement until the Listing Date, to the extent Lawson Gold has assumed liability for those environmental liabilities under the agreement;
- all costs connected with the Exploration Licence Application; and
- all costs associated with the Listing, including fees payable to advisors and independent expert's, ASX listing fees and ASIC fees for registration of the prospectus.

All Maintenance Amounts will be interest free and must be reimbursed or paid by Lawson Gold to FerrAus on demand at any time following the Listing Date.

Lawson Gold has agreed to assume, pay, perform and discharge all environmental liabilities arising from activities carried out on the Tenements after the Sale and Purchase Agreement and up to \$100,000 worth of the environmental liabilities accrued on the Tenements prior to the date of the Sale and Purchase Agreement. Lawson Gold has also agreed to assume and pay, perform and discharge all obligations and liabilities relating to the maintenance of the Tenements (including all rates, taxes and other outgoings) and any amounts required to maintain the validity and good standing of the Tenements (including the cost of activities conducted on the Tenements by or with the approval of Lawson Gold to satisfy any unsatisfied work or expenditure requirements), accruing on or after the date of the Sale and Purchase Agreement. Lawson Gold has agreed to indemnify FerrAus in respect of all claims brought or recovered against, or suffered or incurred by, FerrAus due to the failure of Lawson Gold or any person claiming through or under Lawson Gold to duly and punctually pay, discharge or perform any of these liabilities or obligations.

Unless otherwise specified above, FerrAus will remain liable for all obligations and liabilities relating to the Tenements (including all rates, taxes and other outgoings and environmental liabilities existing before or at the date of the Sale and Purchase Agreement and not previously satisfied or arising out of any activity on the Tenements carried out prior to the date of the Sale and Purchase Agreement) which have fallen due for payment or performance to the date of the Sale and Purchase Agreement, or in the case of environmental liabilities, except if further land disturbance, contamination or other environmental harm occurs in the same location after completion, which fall due to be discharged or performed during the period from the completion date up to the second anniversary of the completion date. FerrAus has agreed to indemnify Lawson Gold in respect of all claims brought or recovered against, or suffered or incurred by, Lawson Gold due to FerrAus' failure to duly and punctually pay, discharge or perform any of these liabilities or obligations.

Lawson Gold and FerrAus give standard warranties as to corporate and capacity matters. FerrAus gives Lawson Gold usual warranties relating to the Tenements and the Mithril Option Agreement. Neither Lawson Gold nor FerrAus will be liable to each other under the Sale and Purchase Agreement for any special, indirect or consequential loss or damage, however arising.

8.2 Mithril Royalty Deed

Under a royalty deed dated 29 June 2009, FerrAus agreed to grant to Mithril Resources a 1.5% net smelter return royalty for all minerals derived from the granted Tenements (**Royalty**). This royalty deed provided that FerrAus could not dispose of the granted Tenements unless the donee first entered into a deed with Mithril Resources on identical terms, mutatis mutandis, as the royalty deed. Prior to completion of the Sale and Purchase Agreement, the Company entered into such a deed with Mithril Resources, agreeing to pay Mithril Resources the Royalty (**Mithril Royalty Deed**).

Given that no minerals are currently produced from the granted Tenements, no Royalty is currently payable to Mithril Resources.

Under the Mithril Royalty Deed, if the Company wishes to dispose of the granted Tenements to a third party, the disposal will not be effective unless that third party enters into a deed in the same form, mutatis mutandis, as the Mithril Royalty Deed. If the Company wishes to forfeit any of the granted Tenements, it must first offer them to Mithril Resources for \$1.00. This does not apply to any compulsory relinquishment under the Mining Act, but Lawson Gold must first consult with Mithril Resources before any such relinquishment. If Mithril Resources wishes to dispose of its interests under the Mithril Royalty Deed to a third party, Lawson Gold will have the right to purchase those interests on the same terms and conditions as the third party.

8.3 Mithril Option Agreement

By agreement dated 29 June 2009, Mithril Resources granted to FerrAus the sole and exclusive option to acquire all of Mithril Resources' rights and entitlements in respect of the Royalty for the purchase price of \$225,000 (**Option**). The option will expire on 6 July 2012.

This agreement was assigned to Lawson Gold at Completion under the Sale and Purchase Agreement, such that Lawson Gold now holds the option to acquire the Royalty from Mithril Resources.

8.4 Heritage Agreement

On 1 January 2008, FerrAus entered into an agreement with Central East Goldfields Native Title Claim Group (No. WC 99/30). This agreement was assigned to Lawson Gold at completion under the Sale and Purchase Agreement.

Under this agreement, the parties will consult with each other to decide which parts of the Tenements require survey (and the extent of the survey required).

The co-ordinating anthropologist must prepare and deliver to the parties for their approval a budget for the completion of any survey conducted under the agreement and all reporting requirements. The Company must, in accordance with the agreed budget:

- pay to the "informant" (being the Aboriginal person selected for the survey under the agreement, having the cultural and traditional knowledge of the land being surveyed) either at the rate of \$300 per day (CPI adjusted or as otherwise agreed) per informant or a lump sum to cover all costs associated with the services of the informants participating in the survey (with between 4 and 6 informants participating unless otherwise agreed);
- provide in kind or pay for at the time the amount specified in the budget to cover logistical support sufficient to conduct any survey, including vehicles, accommodation and meals where applicable;
- pay the office management account fees of \$350 if the field component of the survey is completed within one day (plus \$150 per day for additional days if the field work is completed within 2-3 days) to cover and be used exclusively for office administration, stationery, equipment and related expenses incurred by the Native Title Claimant Group for the purpose of conducting the survey and protecting Aboriginal sites;
- pay the co-ordinating anthropologist's (and if applicable the archaeologist and/or anthropologist of a specific gender appointed in accordance with the agreement) reasonable costs.

The agreement will continue until it is terminated by either party giving to the other notice of termination or it is replaced by another agreement. The provision of the agreement (other than those relating to confidentiality) do not apply to the Company to the extent it ceases to be the holder of any of the granted Tenements.

8.5 Consulting Company Secretary Services Agreement

The Company has engaged HLB Mann Judd to provide Company Secretarial, accounting and taxation services on an ongoing basis.

The Company Secretarial services include advice and guidance regarding Directors duties and corporate governance principles, preparation of Board meeting agendas and papers, attendance at Board meetings and minute taking, lodgement of documents with ASX and liaison with the ASX on the Company's behalf, preparing and lodging all documents with ASIC as required by law, preparing and lodging half yearly and annual reports from information supplied by the Company, liaison with ASIC on the Company's behalf, providing information to the share registry in relation to Shareholders' meetings and

changes in securities, liaison with the share registry, assistance with any shareholder queries and liaison with the Australian Shareholders' Association, assistance with the preparation of the Annual Report for Shareholders, assistance with the annual general meeting and liaison with the Company's auditors when required.

The accounting and taxation services include preparing monthly budgets, preparing (for audit) and lodging quarterly cashflow reports as required by ASX, preparing (for audit) and lodging half yearly and annual reports based on the Company's transactions, preparing and lodging the income tax return from information supplied by the Company, preparing and lodging the quarterly Business Activity Statement with the Australian Taxation Office for Goods and Services Tax obligations and provision of general taxation consulting services advice.

Commercial hourly rates apply to the provision of these services.

8.6 Equant Resources Services Agreement

Under the Equant Resources Services Agreement, Equant Resources has agreed to provide technical and management overview and evaluation of the Company's business and to assist in the evaluation of investment and divestment opportunities in mineral and metals projects. The agreement provides the services must be carried out by Mr David Turvey.

Specifically, the services that will be provided under this agreement include:

- reviewing and providing advice on geology, exploration results and discovery potential, mineral resources and reserves, mining and processing, production methods, product characterisation and infrastructure/logistics in respect of the Company's projects or prospective projects, including a monthly report written by Mr David Turvey or co-authored with a senior geologist employed by or contracted to the Company;
- preparing periodic written proposals for the cost-effective exploration programs and technical test work to add value to or de-risk the Company's projects and present for internal discussion and approval;
- providing input to evaluation studies of mineral projects or companies and financial models and the basis for investment decisions by the Company;
- identify, assess and make recommendations on new mineral projects with synergy to the Company's portfolio of existing business and its strategic directions.

Equant Resources will receive an hourly rate of \$230 (exclusive of GST and pro-rated for part hours) for providing Mr Turvey's services, capped at a maximum of \$5,520 per month. Equant Resources will also be reimbursed for any reasonable out of pocket expenses incurred in conducting the services, provided those expenses are properly substantiated by receipts or invoices and Equant Resources obtains the consent of the Company prior to incurring any single expense greater than \$2,000.

This agreement may be terminated:

- by either party by giving 30 days written notice to the other party;
- by the Company, with immediate effect by notice in writing to Equant Resources if:
 - Equant Resources fails to discharge its obligations under the agreement and this is not remedied within 14 days of it receiving notice of specifying the details of the failure (or if the failure or breach is incapable of being remedied at all or within that 14 day period, Equant Resources fails to pay the Company adequate monetary compensation for that failure or breach within 30 days of receiving notice of the failure or breach);
 - an insolvency event occurs in respect of Equant Resources; or

- Mr Turvey ceases, for whatever reason, to be a Director of the Company;
- by Equant Resources, with immediate effect by notice in writing to the Company if:
 - any amount payable to Equant Resources by the Company remains unpaid for a period of thirty (30) days from the due date for payment of that amount; or
 - an insolvency event occurs in respect to the Company.

8.7 Deed of Indemnity and Access

Lawson Gold entered into a Deed of Access, Insurance and Indemnity with each of the Directors and the Company Secretary on 23 April 2010. Under the terms of the Deeds, Lawson Gold has agreed, subject to restrictions in the Corporations Act, to:

- indemnify each officer in certain circumstances arising out of their role as an officer of Lawson Gold;
- advance money to an officer for the payment of any legal costs incurred by the officer in defending legal proceedings before the outcome of those proceedings is known (subject to an obligation by the officer to repay any money advanced if the costs become costs in respect of which the officer is not entitled to be indemnified under the Deed);
- maintain Director's and Officer's insurance cover (if available) in favour of each officer while they remain an officer of Lawson Gold and for a run out period after ceasing to be such an officer; and
- provide each Director with access to Board papers and other documents provided or available to the Director as an officer of Lawson Gold and provide the Company Secretary to access to certain files and papers of the Company as required in order to discharge his duties as an officer of the Company and in certain other circumstances.

8.8 FerrAus Shared Services Agreement

Under the FerrAus Shared Services Agreement dated 30 April 2010, FerrAus has agreed to provide to Lawson Gold access to its Perth office, administrative services out of that office and technical support services such as:

- storage of core and other samples produced from the Company's exploration programs; and
- ongoing technical services required for the efficient performance of the Company's business, as requested by the Company and provided that FerrAus has the capacity to provide the services requested.

Under the terms of the FerrAus Shared Service Agreement, FerrAus will receive a fee of \$500 per month (exclusive of GST) for the use of office space and administrative services. FerrAus will be reimbursed the cost of providing the technical support services under this agreement, with commercial hourly rates (pro-rated for part hours) to apply for technical support services provided by FerrAus' personnel under this agreement. Any reasonable out of pocket expenses incurred in conducting the technical support services will be reimbursed by the Company, provided those expenses are properly substantiated by receipts or invoices and FerrAus obtains the consent of the Company prior to incurring any single expense or series of related expenses greater than \$10,000.

The agreement can be terminated:

- by either party, for convenience, on three months written notice to the other party;
- by the Company with immediate effect by notice in writing to FerrAus if:
 - FerrAus fails to discharge its obligations under the agreement and this is not remedied within 14 days of it receiving notice of specifying the details of the failure (or if the failure or breach is incapable of being remedied

at all or within that 14 day period, FerrAus fails to pay the Company adequate monetary compensation for that failure or breach within 30 days of receiving notice of the failure or breach); or

- an insolvency event occurs in respect of FerrAus; and
- by FerrAus with immediate effect by notice in writing to the Company if:
 - any amount payable to FerrAus by the Company remains unpaid for a period of thirty (30) days from the due date for payment of that amount; or
 - an insolvency event occurs in respect of the Company.

8.9 Penfold Marketing Shared Services Agreement

Under the Shared Services Agreement with Penfold Marketing dated 30 April 2010, Penfold Marketing has agreed to provide Lawson Gold access to its Adelaide office and administrative, information technology and book keeping services out of that office.

Under the terms of the Shared Service Agreement, Penfold Marketing will receive a fee of \$1,000 per month for the office space and facilities. Commercial hourly rates (pro-rated for part hours) will apply for Penfold Marketing's employees and consultants that provide the administrative, book keeping and information technology services. Any reasonable out of pocket expenses incurred in conducting the services will be reimbursed by the Company, provided those expenses are properly substantiated by receipts or invoices and Penfold Marketing obtains the consent of the Company prior to incurring any single expense greater than \$1,000.

The agreement can be terminated:

- by either party, for convenience, on 3 months written notice to the other party;
- by the Company with immediate effect by notice in writing to Penfold Marketing if:
 - Penfold Marketing fails to discharge its obligations under the agreement and this is not remedied within 14 days of it receiving notice of specifying the details of the failure (or if the failure or breach is incapable of being remedied at all or within that 14 day period, Penfold Marketing fails to pay the Company adequate monetary compensation for that failure or breach within 30 days of receiving notice of the failure or breach); or
 - an insolvency event occurs in respect of Penfold Marketing; and
- by Penfold Marketing with immediate effect by notice in writing to the Company if:
 - any amount payable to Penfold Marketing by the Company remains unpaid for a period of thirty (30) days from the due date for payment of that amount; or
 - an insolvency event occurs in respect of the Company.

9 Additional Information

9.1 Company History

Lawson Gold was incorporated on 2 February 2010 as a public company.

9.2 Tax Status

Lawson Gold will be taxed in Australia as a public company at the prevailing corporate tax rate which is presently 30%. The financial year of Lawson Gold will end on 30 June annually with the first financial year to end on 30 June 2010.

9.3 Litigation

Lawson Gold is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

9.4 Rights and Liabilities Attaching to Shares

The rights and liabilities attaching to ownership of the Shares arise from a combination of the Company's Constitution, statute and general law. The Constitution of the Company may be inspected during normal business hours at the Company's registered office.

A summary of the more significant rights attaching to the Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders. The summary assumes that the Company is admitted to the Official List of ASX.

Voting

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each Share held. In the case of an equality of votes, the Chairman does not have a casting vote.

General Meeting

Each Shareholder is entitled to receive notice of and to attend and vote at general meetings of the Company and to receive all financial statements, notices and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

Dividends

The Directors may determine from time to time to distribute profits of the Company by way of dividends. All fully paid Shares on which any dividend is declared or paid, are entitled to participate in that dividend equally.

Transfer

A Shareholder may transfer all or any of the Shares by a transfer document in any form permitted by the Constitution or the CHESS Rules, or in any other form that the Directors approve. The Directors may decline to register a transfer of Shares which are not quoted by ASX. Where the Shares or other securities are quoted by ASX, the Directors may in their absolute discretion refuse to register any transfer in any of the circumstances permitted by the ASX Listing Rules.

Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue and allot Shares or grant Options over unissued Shares on such terms and conditions as they think appropriate.

Variation of Rights

The rights, privileges and restrictions attaching to any Shares can only be altered by special resolution of the Company passed at a general meeting of Shareholders and by special resolution passed at a meeting of the holders of the class of Shares concerned, or with the written consent of the holders of at least 75% of the votes in the class.

Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, distribute the assets of the Company among the Shareholders as the liquidator determines, but may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

Directors

The minimum number of Directors is three and the maximum number is ten unless the Company passes a resolution varying the number. Questions arising at a meeting of Directors are to be decided by a majority vote. Subject to the ASX Listing Rules, in the case of an equality of votes, the chairperson of a meeting has a casting vote in addition to their deliberative vote.

Alteration to Constitution

The Constitution can only be amended by special resolution passed at a general meeting of the Company. The Company must give at least 28 days notice of its intention to propose a resolution as a special resolution.

9.5 Directors' Interests and Benefits

Other than as set out in this Prospectus, no Director or proposed Director of the Company has, or during the last two years has had, an interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as set out in this Prospectus, no amounts of any kind (whether in cash or Shares or otherwise) have been paid or agreed to be paid to any Director or proposed Director of the Company, either to induce him or her to become, or to qualify him as, a Director, or otherwise for services rendered by him in connection with the promotion or formation of the Company or the Offer.

Interest in Securities

Directors are not required under the Constitution to hold any Shares in the Company.

No Director as at the date of this Prospectus has a beneficial interest in, or right to be granted, any Shares or Options in the Company other than as set out below.

Director	Securities	Value**
David Hillier	100,000 Chairman Options	\$15,300
	100,000 Director Options	\$15,900
David Turvey	100,000 Director Options	\$15,900
Peter Watson	100,000 Director Options	\$15,900
Rob Greenslade	500,000 Incentive Options*	\$76,500

*Mr Greenslade is a Managing Director of, and has a relevant interest in more than 20% of the voting shares on issue in, Gryphon Partners (grantee of the Incentive Options).

**Refer to the Investigating Accountant's Report in Section 6 of this Prospectus for details on the valuation of the Options.

Further information in relation to the Options terms and conditions is set out in Section 9.6.

David Hillier and his associated entities hold a total of 50,000 fully paid ordinary shares in FerrAus as at the date of this Prospectus. Under the Priority Offer, Mr Hillier will be entitled to subscribe for Shares on the same terms and conditions as other Eligible FerrAus Shareholders. Mr Hillier intends (either directly or through his associated entities), to apply for shares pursuant to the Priority Offer.

David Turvey and his associated entities hold a total of 1,572,828 fully paid ordinary shares in FerrAus, 281,250 FerrAus Class B Performance Shares, 214,290 FerrAus Options exercisable at \$0.25 each and expiring on 17 March 2011 and 300,000 FerrAus Options exercisable at \$1.00 each and expiring on 28 April 2011 as at the date of this Prospectus. Under the Priority Offer, Mr Turvey will be entitled to subscribe for Shares on the same terms and conditions as other Eligible FerrAus Shareholders. Mr Turvey intends (either directly or through his associated entities), to apply for Shares pursuant to the Priority Offer.

Peter Watson and his associated entities hold a total of 100,000 fully paid ordinary shares in FerrAus as at the date of this Prospectus. Under the Priority Offer, Mr Watson will be entitled to subscribe for Shares on the same terms and conditions as other Eligible FerrAus Shareholders. Mr Watson intends (either directly or through his associated entities), to apply for Shares pursuant to the Priority Offer.

John Nyvlt and his associated entities hold a total of 9,023,797 fully paid ordinary shares in FerrAus, 1,462,500 FerrAus Class B Performance Shares and 1,142,290 FerrAus Options exercisable at \$0.25 each and expiring on 17 March 2011 as at the date of this Prospectus. Under the Priority Offer, Mr Nyvlt will be entitled to subscribe for Shares on the same terms and conditions as other Eligible FerrAus Shareholders. Mr Nyvlt intends (either directly or through his associated entities), to apply for Shares pursuant to the Priority Offer.

Mike Amundsen and his associated entities hold a total of 100,000 fully paid ordinary shares in FerrAus and 1,500,000 FerrAus Options expiring on 17 January 2013 with 500,000 exercisable at \$0.75 each, 500,000 exercisable at \$1.00 each and 500,000 exercisable at \$1.25 each as at the date of this Prospectus. Under the Priority Offer, Mr Amundsen will be entitled to subscribe for Shares on the same terms and conditions as other Eligible FerrAus Shareholders. Mr Amundsen intends (either directly or through his associated entities), to apply for Shares pursuant to the Priority Offer.

Rob Greenslade and his associated entities hold a total of 1,540,650 fully paid ordinary shares in FerrAus as at the date of this Prospectus. Under the Priority Offer, Mr Greenslade will be entitled to subscribe for Shares on the same terms and conditions as other Eligible FerrAus Shareholders. Mr Greenslade intends (either directly or through his associated entities), to apply for Shares pursuant to the Priority Offer.

Remuneration

Under the Company's Constitution, each Director may be paid remuneration for services performed as a Director.

The maximum aggregate amount of remuneration that may be paid to Non-Executive Directors has been set at \$250,000. This remuneration may be divided among the Non-Executive Directors in such fashion as the Board may determine.

The Continuing Directors are entitled to receive Directors fees, in addition to the Director Options and Chairman Options specified in the table above, as follows:

David Hillier	\$40,000 per annum
David Turvey	\$30,000 per annum
Peter Watson	\$30,000 per annum

Non-Continuing Director, Mr John Nyvlt, will receive \$15,000 in consideration for services provided by him in connection with the Offer.

Other than as specified above, the Non-Continuing Directors are not entitled to and will not receive any Directors fees or remuneration for services provided as a Director.

The maximum aggregate remuneration has been fixed to enable the Company to pay Directors fees to any new Non-Executive Directors that may be appointed to the Company in the future or to allow for increases in the levels of fees over time.

Under the ASX Listing Rules, the maximum aggregate fees payable to Directors may not be increased without prior approval from the Company at a general meeting.

The Directors may be paid all travelling and other expenses properly incurred by them in attending meetings of the Directors or any committee of Directors or general meetings of Lawson Gold or otherwise in connection with the execution of their duties as Directors.

In addition, any Non-Executive Director who is called on to perform extra services or to make special exertions or to undertake any executive or other work for the Company beyond their ordinary duties may, subject to the law, be remunerated by a fixed sum or a salary as determined by the Directors. This sum may be either in addition to or in substitution for their remuneration for ordinary services.

Related Party Transactions

Through deeds of access and indemnity summarised in Section 8.7 the Company has agreed to provide all Directors with access to Board papers and other Company documents, and to indemnify and insure Directors to the fullest extent allowed by the Corporations Act. The Directors are obliged to inform the Company of any dealings in Shares in the Company so that the Company can satisfy its ASX reporting requirements.

The Company has entered into a Services Agreement with Equant Resources, a company controlled by Continuing Director, David Turvey, for the provision of technical and other services to the Company (for further details see Section 8.6). Equant Resources will also be paid approximately \$8,900 (exclusive of GST) for reimbursement of expenses and services performed in connection with the management and maintenance of the Tenements from the date of the Sale and Purchase Agreement.

The Company has engaged Gryphon Partners to provide corporate advisory services in respect of the Offer (for further details see section 9.8). Rob Greenslade, Non-Continuing Director is a Director of, and has a relevant interest in more than 20% of the voting shares on issue in, Gryphon Partners.

The Company has engaged Watsons Lawyers to provide legal services to the Company, including in connection with the Offer (for further details see Section 9.8). Peter Watson, Continuing Director, is a senior partner of Watsons Lawyers.

The Company has entered into the ongoing Penfold Shared Services Agreement in respect of the use of office space and administration, book keeping and information technology services from Penfold Marketing's Adelaide office (for further details see Section 8.9). John Nyvlt, Non-Continuing Director, is the sole Director and shareholder of Penfold Marketing.

As at the date of this Prospectus, the Company is a wholly owned subsidiary of FerrAus. The Company has entered into the Sale and Purchase Agreement with FerrAus in respect of the acquisition of the Tenements and other assets (for further details see Section 8.1) and the ongoing FerrAus Shared Services Agreement in respect of the use of office space, administration services and technical services from FerrAus' Perth office (for further details see Section 8.8).

The Directors consider each of these related party transactions have been entered into on arms' length commercial terms.

9.6 Options Terms and Conditions

The Company has agreed to grant Options over unissued capital. The following Options will be granted to the following parties (or their nominees) at the same time as Shares are issued under this Prospectus:

Director Options	
David Hillier	100,000
David Turvey	100,000
Peter Watson	100,000
Chairman Options	
David Hillier	100,000
Incentive Options	
Gryphon Partners	500,000

The terms of the Director Options are as follows:

- an exercise price of \$0.30;
- the Director Options vest on the Listing Date;
- the Options expire 5 years after the Listing Date and may be exercised any time following the listing;
- if the Company after having granted these Options reduces its issued Share capital or subdivides or consolidates its Shares, the number of Shares issued to the Option holder on exercise of an Option will be reduced, subdivided or consolidated as the case may be, in accordance with the Listing Rules;
- the Options are not transferable other than to relatives of the Option holder or to entities controlled by an Option holder;

- the Options will not be listed on ASX but application will be made for quotation of the Shares resulting from the exercise of the Options; and
- on issue of the resulting Shares, they will rank equally with Lawson Gold ordinary Shares on issue at that time.

The Chairman and Incentive Options will be granted on the same terms as the Director Options, save that the exercise price is \$0.40. Gryphon Partners has agreed not to exercise the Incentive Option for a period of 12 months after the date of issue and allotment.

9.7 Expenses of the Offer

It is estimated that the expenses of the offer (excluding GST) will be between approximately \$328,476 (Minimum Subscription) and \$333,819 (Maximum Subscription) in respect of legal, accounting, advisory, corporate, expert's fees, printing, ASIC and ASX fees and other costs arising from this Prospectus and the Offer.

The expenses above do not include any allowance for handling fees, which may be payable at a rate of 1% on any accepted Applications under the Public Offer. See Section 1.22 for further details.

These GST exclusive expenses have been paid or will be payable by the Company. In addition, the Company has agreed to grant 500,000 Incentive Options to Gryphon Partners as the corporate advisor to the Company. For details of the Options see Section 9.6.

9.8 Interests of Advisers, Experts and Named Persons

As corporate advisors, Gryphon Partners has provided corporate and financial advice, and general assistance to the Company in relation to the structure of the Offer and the preparation of this Prospectus. In respect of this work, the Company has agreed to pay Gryphon Partners \$30,000 for these services up to the date of this Prospectus. Upon Completion of the Offer, the Company will also pay Gryphon Partners a success fee of \$80,000 and issue and allot to Gryphon Partners 500,000 Incentive Options exercisable at \$0.40 each. For further details of the Incentive Options, see Sections 9.5 and 9.6. Gryphon Partners may receive professional fees for other corporate and advisory work for the Company in the future. Rob Greenslade, a Non-Continuing Director, is a Director of, and has a relevant interest in more than 20% of the voting shares on issue in, Gryphon Partners.

Malcolm Castle has prepared the Independent Geologist's Report included in this Prospectus and will receive \$10,000 (excluding GST and disbursements) in respect of this work.

PKF have prepared the Investigating Accountants' Report included in the Prospectus and have also performed work in relation to the due diligence enquiries on financial matters. In respect of this work, the Company estimates it will pay PKF \$3,000 (excluding GST and disbursements).

Hardy Bowen Lawyers have prepared the Solicitors' Report included in this Prospectus and will receive \$6,632 (excluding GST and disbursements) in respect of this work.

Watsons Lawyers have acted as legal advisor to Lawson Gold in connection with the Offer including assisting the Company with the preparation of this Prospectus, performing work in relation to certain aspects of the material contracts, preparing the due diligence program and performing due diligence enquiries on corporate legal matters and are entitled to receive approximately \$75,000 (excluding GST and disbursements) for these services. Peter Watson, a Continuing Director, is senior partner of Watsons Lawyers.

Computershare Investor Services Pty Limited will act as Share Registry for the Company and has participated in the preparation of the Application Forms.

9.9 Consents and Disclaimer

Each of the parties referred to in this Section 9.9:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) has not made, or purported to make, any statement in this Prospectus, or on which any statement made in this Prospectus is based, other than the statements referred to in this Section 9.9;
- (c) does not assume responsibility for any part of this Prospectus except for the statements in this paragraph; and
- (d) to the maximum extent permitted by law, disclaim any responsibility or liability for any part of this Prospectus other than a reference to it or a statement included in this Prospectus with their consent as specified in this Section 9.9.

FerrAus has given its written consent to all statements referring to it in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Malcolm Castle has given his written consent to the inclusion in Section 5 of its Independent Geologist's Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

PKF has given its written consent to the inclusion in Section 6 of its Investigating Accountants' Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Hardy Bowen Lawyers have given their written consent to the inclusion in Section 7 of their Solicitors' Report and to all statements referring to that report in the form and context in which they appear and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given and, as at the date of lodgement of this Prospectus with ASIC, has not withdrawn its written consent to be named as Share Registrar in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company and preparing the Application Forms contained within the Prospectus. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Each of the following has consented in writing to being named in the Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- Gryphon Partners Advisory Pty Ltd as the Corporate Advisor to the Company;
- Watsons Lawyers as the Legal Advisor to the Company;
- Malcolm Castle as the Independent Geologist;
- PKF as Investigating Accountants;
- Hardy Bowen Lawyers as the Solicitors to the Company;
- Grant Thornton as Auditors;
- Penfold Marketing as provider of administrative services to the Company; and
- Equant Resources as provider of technical and management services to the Company

9.10 Restricted Securities

The ASX may classify the following Shares and Options as restricted securities.

Security holder	Shares	Options
FerrAus	1,500,001	0
Gryphon Partners	0	500,000
David Hillier	0	200,000
David Turvey	0	100,000
Peter Watson	0	100,000
Total	1,500,001	900,000

Restriction agreements will be entered into by the holders of the restricted securities reflecting the restriction requirements in the Listing Rules, which preclude holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder will also be precluded from granting a security interest over those securities. The agreement will be in substantially the same form as that set out in Appendix 9A of the Listing Rules.

ASX may review these restrictions during consideration of the Company's application for admission to the Official List of ASX.

9.11 Directors' Statement and Consent

The Directors state that:

- they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive;
- in respect of any statements made in this Prospectus by other persons, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent at the date of lodgement of this Prospectus with ASIC; and
- this Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

This Prospectus is issued by the Company. The issue of this Prospectus has been authorised by the Directors and this Prospectus has been signed by the Chairman on behalf of the Directors.

Each of the Directors has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 13 May 2010. Signed for and on behalf of the Company



John Nyvit
Chairman

10 Glossary

In this Prospectus, unless the context otherwise requires:

"A\$" and "\$" - means Australian dollars, unless otherwise stated.

"Applicant" - means a person who submits an Application.

"Application" - means a valid application to subscribe for Shares pursuant to an Application Form.

"Application Form" - means either the Public Application Form contained at the back of this Prospectus or a personalised Priority Application Form sent separately with a Prospectus.

"Application Monies" - means the amount of money payable for Shares applied for under the Offer at \$0.20 each.

"ASIC" - means Australian Securities and Investments Commission.

"ASTC" - means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532).

"ASTC Settlement Rules" - means the operating rules of the ASTC and, to the extent that they are applicable, the operating rules of ASX and the operating rules of Australian Clearing House Pty Limited (ABN 48 001 314 503).

"ASX" - means ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).

"Board of Directors" and **"Board"** - means the Board of Directors of the Company unless the context indicates otherwise.

"Business Day" - means a day on which the trading banks are open in Adelaide, South Australia.

"Chairman Options" - means the Chairman Options referred to in Section 9.6.

"CHESS" - means ASX Clearing House Electronic Subregistry System.

"Closing Date" - means Friday, 2 July 2010 at 5:00pm CST or such other date as the Directors determine in their absolute discretion.

"Company" - means Lawson Gold Limited (ACN 141 804 104).

"Completion of the Offer" - means the allotment of all the Shares offered under this Prospectus.

"Computershare" - means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

"Continuing Directors" - means each of Mr David Hillier, Mr David Turvey and Mr Peter Watson.

"Corporations Act" - means the Corporations Act 2001 (Cth).

"CST" - means Central Standard Time as applicable in Adelaide, South Australia and references to time in this Prospectus are references to CST, unless otherwise specified.

"Department" - or **"DMP"** means the Department of Mines and Petroleum (WA).

"Directors" - means Directors of the Company unless the context indicates otherwise.

"Director Options" - means the Director Options referred to in Section 9.6.

"EL" - and **"Exploration Licence"** means an Exploration Licence granted under the Mining Act which permits mineral exploration.

"ELA" - means an application for an Exploration Licence made under the Mining Act.

"Eligible FerrAus Shareholders" - means FerrAus Limited Shareholders that have a registered address in Australia or New Zealand as at the Priority Record Date.

"Equant Resources" - means Equant Resources Pty Ltd (ACN 109 269 105).

"Equant Resources Services Agreement" - means the Services Agreement between Equant Resources and the Company dated 30 April 2010 (refer to section 8.6).

“Exploration Licence Application” - means the application made by the Company for the grant of EL27/432.

“Exposure Period” - means the period of seven days (or longer as ASIC may direct) from the date of lodgement of this Prospectus with ASIC.

“FerrAus” - means FerrAus Limited (ACN 097 422 529).

“FerrAus Class B Performance Share” - means a Class B Performance Share issued in the capital of FerrAus, convertible into ordinary shares in the capital of FerrAus in accordance with its terms and conditions of issue.

“FerrAus Option” - means an option to subscribe for a fully paid ordinary share in the capital of FerrAus.

“FerrAus Shared Services Agreement” - means the Shared Services Agreement between FerrAus and the Company dated 30 April 2010 (refer to Section 8.8).

“Gryphon Partners” - means Gryphon Partners Advisory Pty Ltd (ACN 133 870 096).

“Heritage Agreement” - means the Agreement for Heritage Protection in respect of the Tenements between FerrAus and Central East Goldfields Native Title Claim Group (No. WC 99/30) dated 1 January 2008 and assigned to Lawson Gold on 23 April 2010 (refer to Section 8.4).

“HIN” - means holder identification number.

“Incentive Options” - means the Options issued on the terms specified in Section 9.6 as payment to Gryphon Partners for services rendered relating to the Offer (refer to Section 9.8 for more details).

“Issue” - means the issue of Shares pursuant to this Prospectus.

“Issuer Sponsored” - means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

“Komatiite” - means ultramafic mantle-derived volcanic rocks.

“Lawson Gold” - means Lawson Gold Limited (ACN 141 804 104).

“Listing Date” - means the date the Company is admitted to the Official List.

“Listing Rules” - means listing rules of the ASX.

“Maximum Subscription” - means subscription of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000.

“Mining Act” - means the Mining Act 1978 (WA).

“Minimum Subscription” - means subscription of 15,000,000 Shares at an issue price of \$0.20 per Share to raise \$3,000,000.

“Mining Information” - means geological, geophysical, geochemical and other technical and non-technical information relating to the Tenements in the possession or control of FerrAus, or in which FerrAus has any right to or title or interest in, including geological, geochemical and geophysical reports, surveys, mosaics, aerial photographs, samples, drill core, drill logs, drill pulp, assay results, maps and plans, relating to the Tenements regardless of the form in which that information is recorded, and all intellectual property rights in respect of that information.

“Minister” - means the Minister for Mines and Petroleum, Western Australia.

“Mithril Resources” - means Mithril Resources Limited (ACN 099 883 922).

“Mithril Option Agreement” - means the agreement titled “Silver Swan North Option Agreement” between FerrAus and Mithril Resources dated 29 June 2009 (refer to Section 8.3).

“Mithril Royalty Deed” - means the royalty deed relating to the granted Tenements between Mithril Resources and the Company dated 23 April 2010 (refer to Section 8.2).

“Native Title Act” - means the Native Title Act 1993 (Cth).

"Non-Continuing Directors" - means each of Mr Mike Amundsen, Mr Rob Greenslade and Mr John Nyvlt.

"Offer" - means the invitation to apply for Shares pursuant to this Prospectus, encompassing both the Public Offer and the Priority Offer.

"Offer Period" - means the period commencing on the Opening Date and ending on the Closing Date.

"Official List" - means the Official List of the ASX.

"Opening Date" - means the date immediately following the expiry of the Exposure Period and is expected to be Monday, 7 June 2010.

"Optionholder" - means a holder of any Options.

"Option" - means an option to subscribe for a Share.

"Original Prospectus" - means the disclosure document dated and lodged with ASIC on 30 April 2010 and any electronic version of it.

"Participant" - means a participant for the purpose of CHES.

"Penfold Marketing" - means Penfold Marketing Pty Ltd (ACN 094 596 228).

"PKF" - means PKF Corporate (SA) Pty Ltd.

"Penfold Shared Services Agreement" - means the Shared Services Agreement between Penfold Marketing and the Company dated 30 April 2010 (refer to section 8.9).

"Priority Application Form" - means the personalised blue application form distributed with this Prospectus to Eligible FerrAus Shareholders for the purpose of applying for Shares under the Priority Offer.

"Priority Offer" - means the offer made to Eligible FerrAus Shareholders to subscribe for up to 25 million Shares in total.

"Priority Offer Closing Date" - means Friday 18 June 2010 at 5:00pm CST or such other date as the Directors determine in their absolute discretion.

"Priority Record Date" - means Monday, 31 May 2010 at 5:00pm Perth time.

"Projects" - means the Company's Lawson Gold Project, which is described in Section 2.2.

"Prospectus" - means this replacement disclosure document dated 13 May 2010, which replaces the Original Prospectus, and any electronic version of it.

"Public Application Form" - means the application form attached at the back of this Prospectus.

"Public Offer" - means the offer made to the general public pursuant to this Prospectus to subscribe for Shares.

"Quotation" - means quotation of the Shares on the Official List.

"Sale and Purchase Agreement" - means the agreement for the sale by FerrAus and the purchase by the Company of the granted Tenements, dated 19 March 2010.

"Section" - followed by a number means the section of this Prospectus so numbered.

"Share" - means a fully paid ordinary share in the capital of the Company.

"Share Registry" - means the Company's share registry, Computershare.

"Shareholder" - means a holder of Shares in the Company.

"SRN" - means Security holder Reference Number.

"Tenements" - means Exploration Licence EL 27/345 and Mining Leases ML 27/262, ML 27/263, ML 27/264 and ML 27/265 granted pursuant to the Mining Act and the Exploration Licence Application.

How to complete this form

Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. Applications for greater than 10,000 Shares must be in multiples of 1,000 Shares.

Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the price per Share.

Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Lawson Gold Limited is upon and subject to the terms of the prospectus and the Constitution of Lawson Gold Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received at the Adelaide office of Computershare Investor Services Pty Limited by no later than 5:00pm CST on 2 July 2010. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Lawson Gold Limited Share Offer
c/- Computershare Investor Services Pty Limited
GPO Box 1903
ADELAIDE SA 5001

OR Lawson Gold Limited Share Offer
c/- Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (“CIS”), as registrar for securities issuers (“the issuer”), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 084 160.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual • Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint • Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company • Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts • Use trustee(s) personal name(s) • Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates • Use executor(s) personal name(s) • Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) • Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships • Use partners personal name(s) • Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names • Use office bearer(s) personal name(s) • Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds • Use the name of trustee of the fund • Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

CHESS

Lawson Gold Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company’s principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

Payment

Make your cheque or bank draft payable to Lawson Gold Limited Float Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. Please note that funds are unable to be directly debited from your bank account. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.



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