Lawson Gold Limited

ABN 32 141 804 104

Annual Report

For the Year Ended 30 June 2017

Lawson Gold Limited

ABN 32 141 804 104

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For the Year Ended 30 June 2017

Lawson Gold Limited

Corporate Information
30 June 2017

Directors
Mr Simon O'Loughlin (Chairman, Non-Executive Director)
Mr Peter Reid (Executive Director)
Mr Donald Stephens (Non-Executive Director)

Group Secretary
Mr Donald Stephens

Registered Office
169 Fullarton Road
DULWICH SA 5065

Principal place of business
169 Fullarton Road
DULWICH SA 5065

Share Registry
Computershare Investor Services Pty Ltd
Level 5
115 Grenfell Street
ADELAIDE SA 5000

Bankers
National Australia Bank
22 – 28 King William Street
ADELAIDE SA 5000

Auditors
Grant Thornton Audit Pty Ltd
Chartered Accountants
Level 3
170 Frome Street
ADELAIDE SA 5000

Review of Operations

Corporate Activities

In February the Company advised that it has raised approximately $500,000 (before costs) through a share placement pursuant section 708 of the Corporations Act (Cth). The proceeds of the share placement will be used to provide funds for working capital. The Company appointed Taylor Collison Limited as Lead Manager to undertake a share placement to raise $500,000 before transaction costs. The Placement was undertaken in two tranches, comprising of 10,000,000 fully paid ordinary shares at an issue price of $0.05 (5 cents) per share. The first tranche, 8,400,000 fully paid ordinary shares, was placed within the Company's existing placement capacity pursuant to Listing Rule 7.1 and 7.1A. The second tranche, 1,600,000 fully paid ordinary shares, were issued to Directors following Shareholder approval at a general meeting of the Company which occurred in April. Net expenditure for the 12 month period was $240,785 and the Company's cash position at the end of the June 2017 financial year is $734,631.

In August, Lawson executed an Agreement with ASX listed Mithril Resources Limited whereby Mithril can earn a 75% interest in Lawson's Exploration Licence E27/510 (Figure 1), by completing expenditure of $250,000 over 3 years, to explore for principally gold and nickel.

Project Activities

The Silver Swan North Joint Venture with Moho Resources encompasses Mining Lease M27/263 and Exploration Licence E27/345 located in the world-class Kalgoorlie, nickel and gold mining district. Moho may earn up to a 70% interest through the expenditure of $1,000,000. In December, Moho increased the exploration licence lease area of E27/345, extending its north-western extent and undertook a ground electromagnetic (EM) survey over the north-eastern portion to extend the EM coverage over the area which has not been previously surveyed (Figure 2). The survey was undertaken by Gem Geophysics (refer to Lawson's March 2017 Quarterly ASX release for survey specifications). The survey had to be stopped prior to completing the northernmost line due to heavy rains however the survey has recorded an open ended mid-time anomaly from an interpreted flat lying body at depth (SSE3). It lies along strike from a series of similar anomalies running north-south previously reported (ASX release 24/9/2013) through the survey area (Figure 3). While these may be due to a deep broad weathering trough over a shear in an area of generally deep weathering alternate sources cannot be discounted.

This feature along with existing targets SSE1 (Southeastern 1) and SSE2 on E27/345 have been recommended for further follow up ground EM for final assessment ahead of potential drill testing. Moho has in addition undertaken modelling and evaluation of historical gold drilling of the Lawsons Prospect (Figure 1) on M27/263 in preparation for future drill testing (refer to the Company's 09/02/2011 ASX release for background on the Lawsons Prospect).

E27/510 has become part of Mithril's Lignum Dam Project exploration works (Figure 4) which cover a package of gold and nickel prospective Archaean mafic, ultramafic, and felsic rock types directly along strike from the Lindsay's Gold Mining Centre and the high grade Silver Swan nickel deposit (Refer 3/8/16 Mithril ASX release for detail). Mithril plans to carry out a program of infill auger geochemical sampling followed by RAB / Air core drilling over targets identified. The introduction of a new exploration partner for this project will see active exploration activities occur on this prospective gold lease and ensures Lawson can focus its efforts on acquiring other new projects with high growth potential.

No other ground exploration activities were undertaken during the period (Figure 1). Lawson remains in a strong position to attract new projects having a tight shareholder base, low expenditure obligations and with a solid cash position.

Corporate Information
30 June 2017

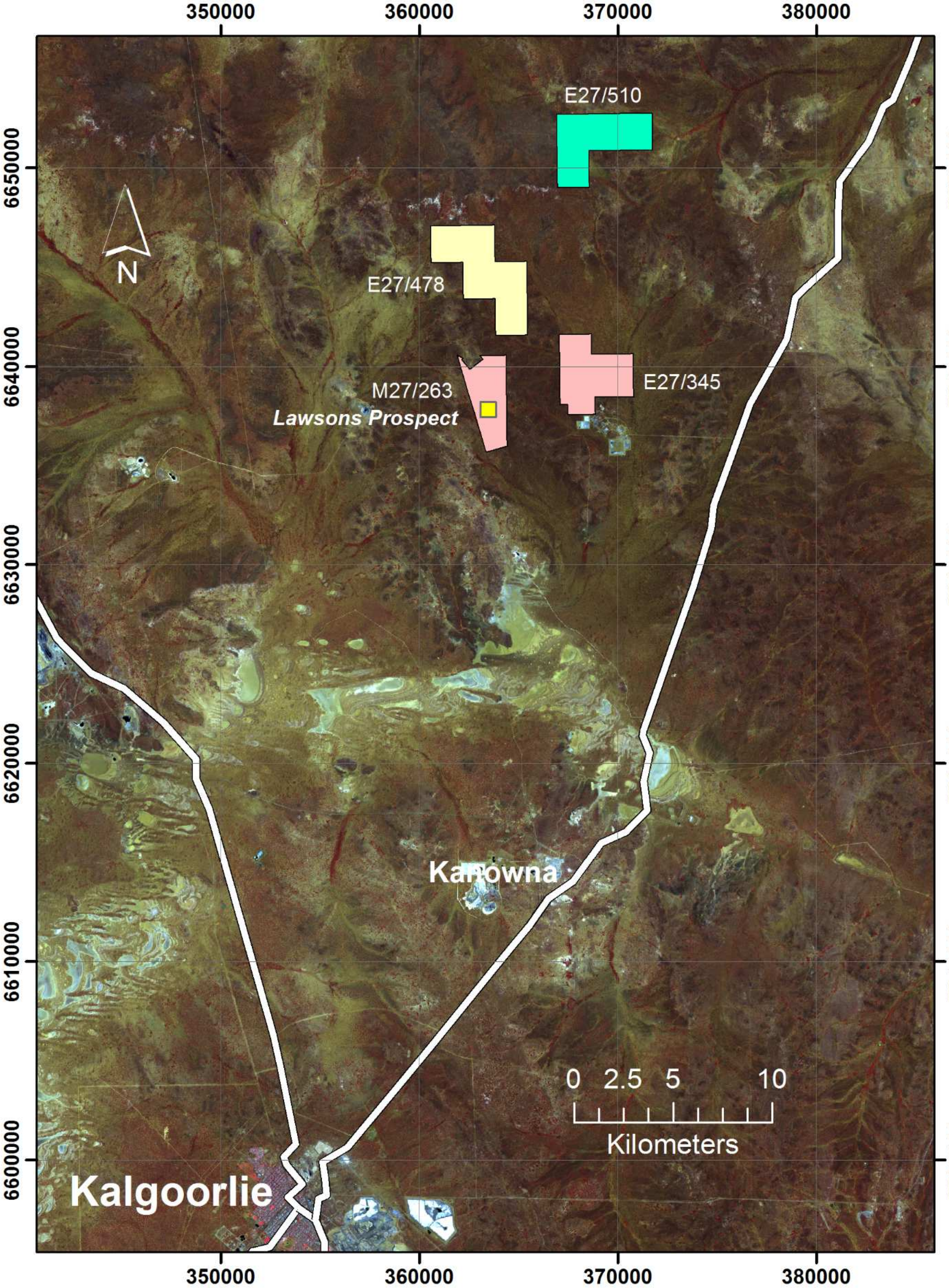

Figure 1: Satellite image showing Lawson's tenements. Moho JV (red), Mithril JV (blue) and the Lawsons Prospect.

Corporate Information
30 June 2017

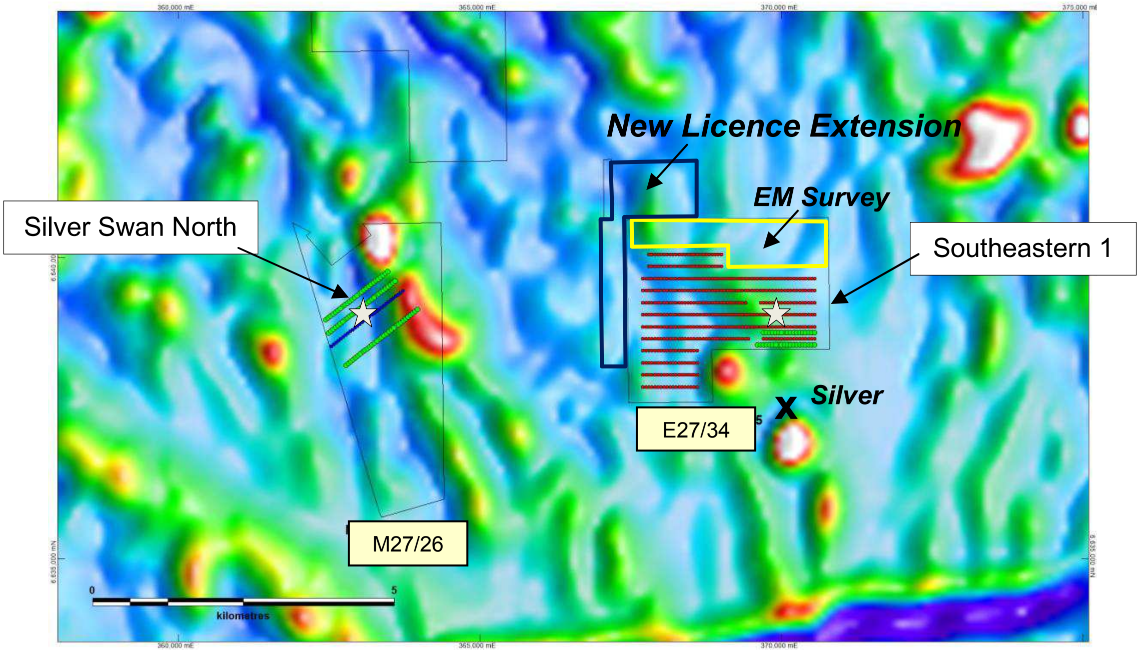

Figure 2 Silver Swan historical ground electromagnetic (EM) stations (coloured lines) and outline of the new EM survey area (Yellow) over a pseudo colour reduced to pole aeromagnetic image.

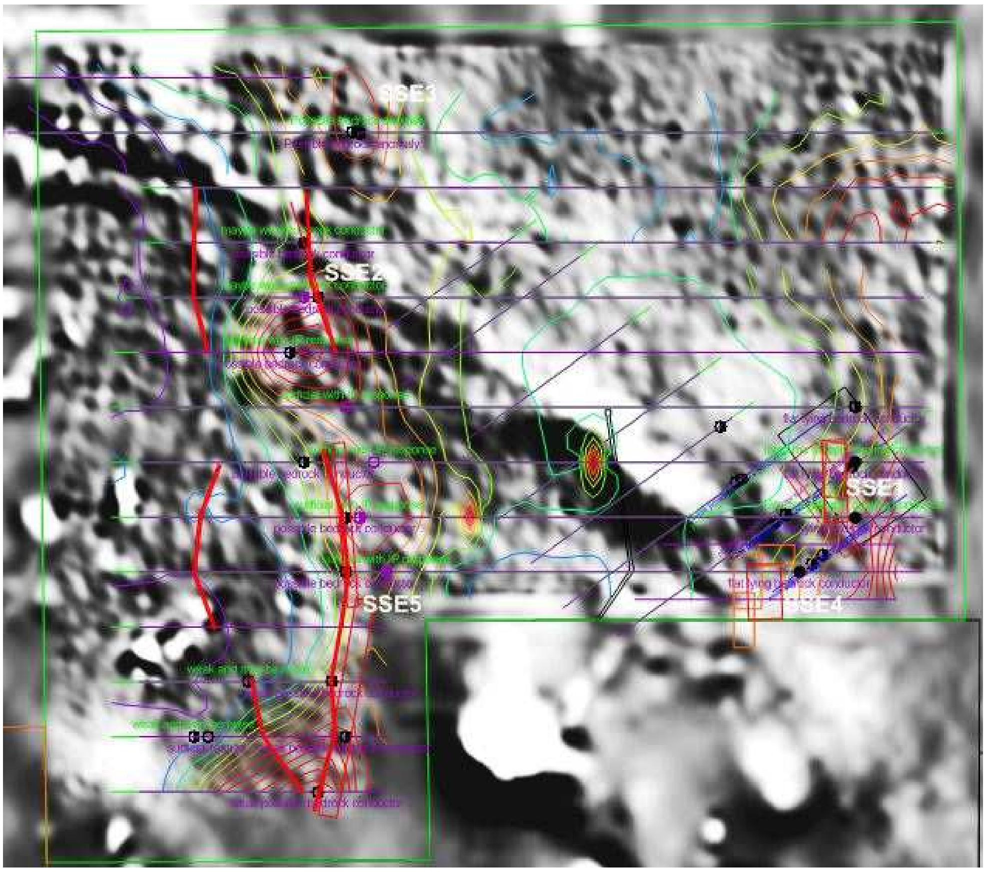

Figure 3: Greyscale 1st Vertical Derivative Aeromagnetic Image overlain with contours of amplitude at around 7 mSec from the 2008 In-loop

Corporate Information
30 June 2017

Total Field EM survey in the south and the 2016 In-loop dB/dt survey in the north. Overlain by anomaly picks, conductor axes and tenements

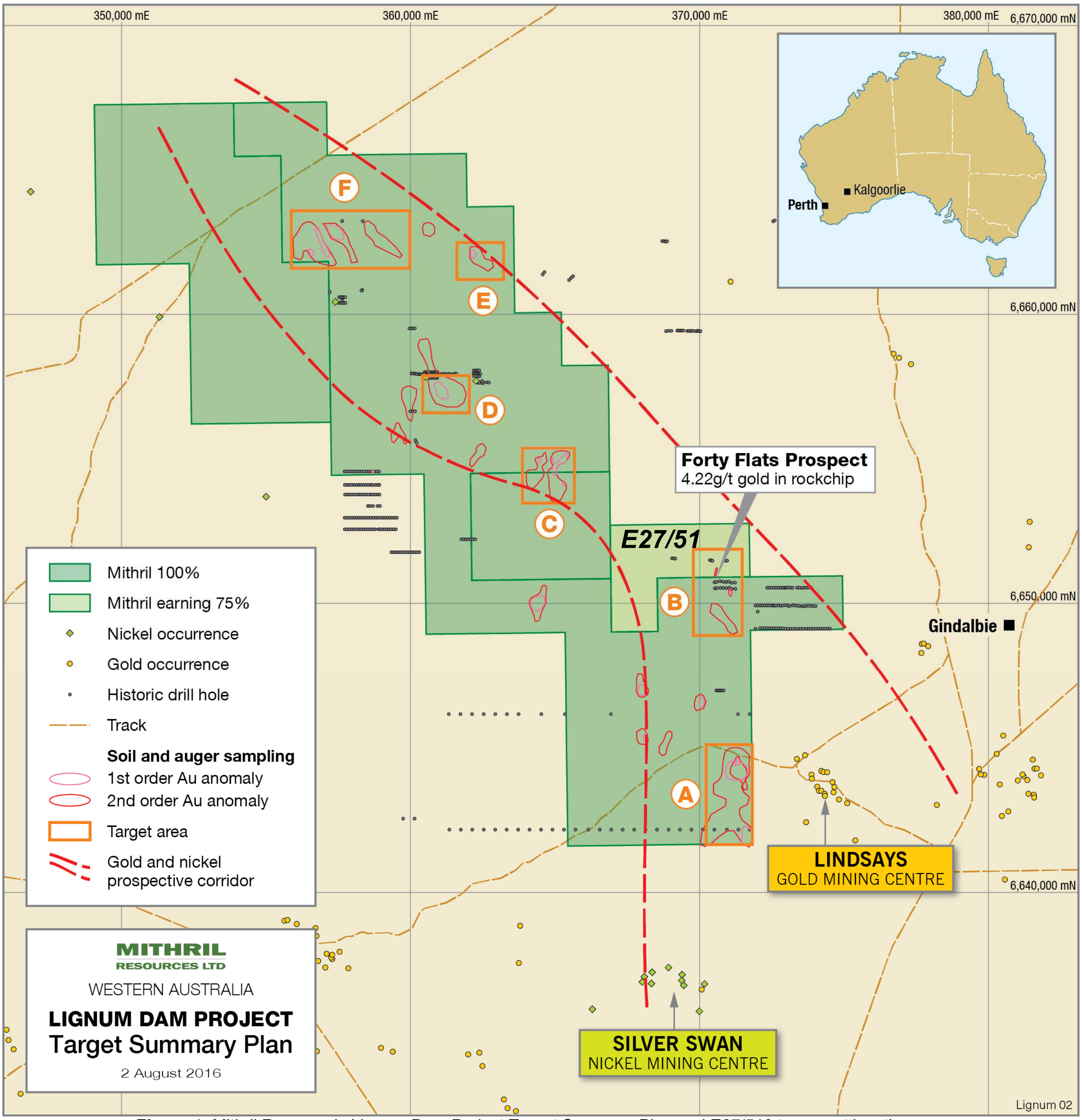

Figure 4: Mithril Resource's Lignum Dam Project Target Summary Plan and E27/510 tenement location.
(Reference: Figure reproduced from Mithril Resources Limited 3/8/16 ASX release)

Competent Persons Statement: The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Peter Reid, who is a Competent Person, and a Member of the Australian Institute of Geoscientists. Mr Reid is an Executive Director and part time contractor to Lawson Gold Ltd. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Your directors submit their report for the financial year ended 30 June 2017.

This financial report covers Lawson Gold Limited (ABN 32 141 804 104) and its controlled entity. The Company's functional and presentation currency is Australian Dollars.

A description of the Company's operations and of its principle activities is included in the review of operations and activities in the Director's report.

Directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Simon O'Loughlin, Chairman, Non- Executive Director

Qualifications	BA (Acc)
Experience	Simon O'Loughlin is the founding member of O'Loughlin Lawyers, an Adelaide based medium sized specialist commercial law firm. He has obtained extensive experience in the corporate and commercial law fields while practicing in Sydney and Adelaide. Simon also holds accounting qualifications. More recently, he has been focusing on the resources sector.
Other current directorships in listed entities	He is currently a non-execuitve chairman of Gooroo Ventures Ltd, and a non-executive director of Petratherm Ltd, BOD Australia Ltd, ARC Exploration Limited and Chesser Resources Ltd.
Date appointed	01/07/2013

Donald Stephens, Non-Executive Director

Qualifications	BA(Acc), FCA
Experience	Donald Stephens is a chartered accountant and corporate advisor with over 25 years' experience in the accounting industry, including 14 years as a partner of HLB Mann Judd, a firm of chartered accountants.
Other current directorships in listed entities	He is non-executive director of Mithril Resources Ltd, Petratherm Ltd and Gooroo Ventures Ltd and currently holds a number of company secretarial positions with listed Public Companies including Highfield Resources Ltd, Mithril Resources Ltd, Petratherm Ltd and Duxton Water Ltd amongst others.
Date appointed	01/07/2013

Directors (continued)

Peter Reid, Executive Director

Qualifications	BSc (Hons)
Experience	Peter Reid is a professional geologist with 21 years' experience. Peter has strong exploration credentials having worked initially for the Regional Geological Survey of South Australia and later with Minotaur Resources Ltd. This included being involved in the discovery of the world class Prominant Hill Cu-Au deposit that was subsequently sold to Oz Minerals. During this time he generated a portfolio of nicket projects, and aided the spin out of a successful IPO, Mithril Resources Ltd, from Minotaur. With Minotaur's support, he went on to researching Australia's engineered geothermal energy potential, working closely with the University of Adelaide. The result of this work led to formation of Petratherm Ltd, a specialist engineered geothermal explorer and developer, and in July 2004 he led this through to a successful ASX listing as the founding CEO of Petratherm Ltd. With the expansion of the company both in Australia and overseas, the maturation of its flagship project Paralana, he took on the role of exploration manager in 2006 through to 2013. In 2011, he received the Australian Geothermal Energy's Association's Chairman's Award for his services to the Australian Geothermal Industry and he is the current Chairman of the Australian Geothermal Report Code. In recent months, he has reduced his geothermal commitments to focus on new ventures in minerals industry, as both a director of private exploration company and now at Lawson Gold Limited.
Other current directorships in listed entities	None
Date appointed	01/07/2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Interest in the shares and options of the company and related bodies corporate

At the date of this report, the interests of the Directors in the shares and options of Lawson Gold Limited were:

	Number of ordinary shares	Number of options over ordinary shares
Simon O'Loughlin	**1,765,302**	-
Peter Reid	**-**	-
Donald Stephens	**800,000**	-
Total	**2,565,302**	-

Directors (continued)

Corporate Governance Statement

Please refer to the Company's website www.lawsongold.com for the Corporate Governance Statement.

Principal activities and significant changes in nature of activities

The principal activities of Lawson Gold Limited during the financial year were:

- To continue to conduct mineral exploration on the Western Australian tenements held and to expand the ground position through the acquisition of further exploration licences in the area.
- To extend the search for available exploration licences which, through direct or indirect investment, will provide the potential for discovery and development for commerical deposits of gold and other metals.

There were no significant changes in the nature of Lawson Gold Limited's principal activities during the financial year.

Operating results

The loss of the Company amounted to $ 244,113 (year ended 30 June 2016:$ 323,064).

Review of operations

Please refer to the review of operations contained at the front of this report.

Dividends

No dividends were paid or declared since the start of the year. No recommendation for payment of dividend has been made.

Risk management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks are identified on a timely basis and that the opportunities align with the Group's objectives and activities.

The Group has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that the management's objectives and activities are aligned with the risks identified by the Board. These include implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Events after the reporting date

On 21 August 2017 Lawson Gold Limited ("LSN") announced that it has executed a Binding Term Sheet ("Agreement") to acquire 100% of the issued capital of Evandale Minerals Pty Ltd ("Evandale")("the Transaction").

Evandale is a privately owned Australian mineral exploration company. Evandale owns the Sturgeon Lake Project which comprises 100% interest in five exploration claims in Ontario, Canada.

Completion of the Transaction is subject to LSN shareholder approval. Completion is also subject to LSN and the vendors of Evandale each undertaking due diligence within the period of 60 days from the date the Agreement was dated (20 August 2017). Completion of the Transaction is also subject to regulatory approval.

Upon completion of the Transaction, LSN is to issue 23,333,333 fully paid ordinary shares ("Settlement Shares") to the vendors and/or their nominees as consideration. The settlement shares are subject to an escrow period of 12 months from date of issue (or such longer escrow period that may be required by ASX).

On the date of completion LSN shall undertake a Placement of 55,000,000 shares at $0.03 per Share ("Placement") to raise a total of $1,650,000 before costs. The vendors and/or their nominees shall subscribe for a total of 50,000,000 LSN shares at $0.03 per share in the placement.

On completion, Justin Tremain and Aaron Bertolatti shall, subject to them consenting in writing to act, be appointed as directors of LSN; and Peter Reid shall resign as a director of LSN, disclaiming any right to compensation, damages or otherwise.

For additional information pertaining to the Agreement please refer to the ASX announcement dated 21 August 2017.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Likely developments

Except for the potential acquistion of Evandale, the Group expects to maintain the present status and level of operations and therefore there are no likely developments in the Group's operations.

Environmental issues

The Group's current environmental obligations are regulated under both Western Australian State and Federal Law. The Group is commited to conduct its activities with high standards of care for the natural environment. The Group will apply the most appropriate standards to each activity and communicate with employees, contractors and communities about environmental objectives and responsibilities. No environmental breaches have been notified by any Government agency during the year ended 30 June 2017.

Occupational health, safety and welfare

In running its business, the Group aims to protect the health, safety and welfare of employees, contractors and guests. In the reporting period the Group experienced no lost time injuries. The Group reviews its Occupational Health, Safety and Welfare (OHS&W) policy at regular intervals to ensure a high standard of OHS&W.

Indemnification and insurance of officers and auditors

Throughout the year, the Group has had in place and paid premiums for insurance policies with a limit of liability of $5 million, indemnifying each Director and the secretary of the Group. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the group or a related body, and any other payments arising from liabilities incurred by officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. The contracts of insurance contain confidentiality provision that preclude disclosure of premium paid.

Share options - unissued shares

At the date of this report there are no share options.

Meetings of directors

During the financial year, two meetings of directors and two committee meetings were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Simon O'Loughlin	2	2	2	2
Mr Peter Reid	2	2	2	2
Mr Donald Stephens	2	2	2	2

The Group has an audit committee consisting of the following key personnel:

Simon O'Loughlin	Non- Executive Chairman
Peter Reid	Executive Director
Donald Stephens	Non-Executive Director/Company Secretary

Voting and comments made at the company's 2016 Annual General Meeting

Lawson Gold Limited received 99.55% of "yes" votes on its remuneration report for the 2016 financial year. The Group did not receive specific feedback on its remuneration report at the AGM.

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The group was not a party to any such proceedings during the year.

Non-audit services

Grant Thornton Audit Pty Ltd, in its capacity as auditor for the Company, has not provided any non-audit services throughout the reporting period. The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 14 of the consolidated financial report.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2017 has been received and can be found on page 14 of the consolidated financial report.

Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors and other Key Management Personnel of the Group.

The remuneration and entitlement information, required to be disclosed by the Corporations Act, is provided below.

Key management remuneration policy

The Board is responsible for determining remuneration policies applicable to Directors and senior executives of the Group. The policy is to ensure that remuneration properly reflects the individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the Board to the Group's financial performance.

The maximum aggregrate annual remuneration which may be paid to Non-Executive Directors is currently $250,000. This cannot be increased without approval of the Company's shareholders.

Remuneration Consultants

The Company did not enlist the services of a remuneration consultant in the year ended 30 June 2017.

Service Agreements

The Company has not entered into any formal service agreements with its key management personnel.

Key Management Personnel remuneration and equity holdings

The Board currently determines the nature and amount of remuneration for Key Management Personnel of the Group. The policy is to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results.

All remuneration paid to Key Management Personnel is expensed as incurred if it pertains to administration duties of the Group. Remuneration paid that can be directly attributable to a tenement is capitalised accordingly. Key Management Personnel receive a superannuation guarantee contribution as required by the government, which is currently 9.5% (2016: 9.5%), and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Options are valued using the Black-Scholes methodology and are recognised as remuneration over the vesting period.

The Board policy is to remunerate Non-Executive Directors at market rates based in comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

Options issued as part of remuneration

No options were issued to, or held by, Key Management Personnel during the year.

Remuneration report (audited) (continued)

Key management personnel shareholdings

	Balance at beginning of year -1 July 2016	Shares issued for consideration	Balance at the end of year - 30 June 2017
	No.	No.	No.
Directors			
Simon O'Loughlin *	**965,302**	**800,000**	**1,765,302**
Peter Reid *	**-**	**-**	**-**
Donald Stephens*	**-**	**800,000**	**800,000**
	965,302	**1,600,000**	**2,565,302**

*Held by Directors and entities in which Directors have a relevant interest

Key Management Personnel remuneration details for the year ended 30 June 2017

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of Lawson Gold Limited.

	Short Term Benefits	Post-Employment	Share-based Payments	
	Salary, Fees & Bonuses	Superannuation	Value of Options	Total
2017	**Total**	**Total**	**Total**	**$**
Directors				
Simon O'Loughlin (1)	**35,000**	**3,325**	**-**	**38,325**
Peter Reid (2)	**27,312**	**-**	**-**	**27,312**
Donald Stephens	**27,312**	**-**	**-**	**27,312**
	89,624	**3,325**	**-**	**92,949**

	Short Term Benefits	Post-Employment	Share-based Payments	
	Salary, Fees & Bonuses	Superannuation	Value of Options	Total
2016	**$**	**$**	**$**	**$**
Directors				
Simon O'Loughlin (1)	35,000	3,325	-	38,325
Peter Reid (2)	27,312	-	-	27,312
Donald Stephens	27,312	-	-	27,312
	89,624	3,325	-	92,949

Key Management Personnel in the above table include Directors and specified executives.

(1) O'Loughlin's Lawyers, of which Simon O'Loughlin is a partner, received professional service fees of $5,335 (2016 :$6,762)

(2) Geovise Pty Ltd, of which Peter Reid is a Director, received consulting fees of $6,802 (2016: $7,118)

End of Audited Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Simon O'Loughlin
Non-Executive Chairman

Dated this 26th day of September 2017

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Auditor's Independence Declaration
To the Directors of Lawson Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Lawson Gold Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner - Audit & Assurance

Adelaide, 26 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Interest Revenue	5(a)	**10,028**	16,953
Impairment of non-current assets	12,16(a)	**-**	(107,997)
Employee benefits expense	5(b)	**(88,787)**	(92,437)
Depreciation and amortisation expense		**-**	(256)
Accounting and group secretarial fees		**(69,613)**	(73,039)
Other expenses	5(b)	**(95,741)**	(66,288)
Loss before income tax		**(244,113)**	(323,064)
Income tax expense	6	**-**	-
Loss attributable to members of the entity		**(244,113)**	(323,064)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(244,113)**	(323,064)
Loss per share			
Basic earnings per share (cents)	7	**(0.05)**	(0.65)
Diluted earnings per share (cents)	7	**(0.05)**	(0.65)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As At 30 June 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**734,631**	514,888
Trade and other receivables	9	**6,078**	4,762
Other assets	10	**658**	628
TOTAL CURRENT ASSETS		**741,367**	520,278
NON-CURRENT ASSETS			
Exploration, evaluation and development assets	12	**680,555**	649,504
TOTAL NON-CURRENT ASSETS		**680,555**	649,504
TOTAL ASSETS		**1,421,922**	1,169,782
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**34,465**	29,790
TOTAL CURRENT LIABILITIES		**34,465**	29,790
TOTAL LIABILITIES		**34,465**	29,790
NET ASSETS		**1,387,457**	1,139,992
EQUITY			
Issued capital	14	**5,796,091**	5,304,513
Accumulated losses		**(4,408,634)**	(4,164,521)
		1,387,457	1,139,992
TOTAL EQUITY		**1,387,457**	1,139,992

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Ordinary Shares	Accumulated Losses	Share Option Reserve	Total
	$	$	$	$
Balance at 1 July 2016	**5,304,513**	**(4,164,521)**	**-**	**1,139,992**
Loss attributable to members of the parent entity	**-**	**(244,113)**	**-**	**(244,113)**
Transactions with owners in their capacity as owners				
Shares issued during the year	**525,200**	**-**	**-**	**525,200**
Transaction costs	**(33,622)**	**-**	**-**	**(33,622)**
Balance at 30 June 2017	**5,796,091**	**(4,408,634)**	**-**	**1,387,457**

2016

	Ordinary Shares	Accumulated Losses	Share Option Reserve	Total
	$	$	$	$
Balance at 1 July 2015	5,304,513	(3,980,957)	139,500	1,463,056
Loss attributable to members of the parent entity	-	(323,064)	-	(323,064)
Transactions with owners in their capacity as owners				
Transfer to accumulated losses from share option reserve	-	139,500	(139,500)	-
Balance at 30 June 2016	5,304,513	(4,164,521)	-	1,139,992

Lawson Gold Limited

ABN 32 141 804 104

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and key management personnel		**(250,813)**	(285,770)
Interest received		**10,028**	19,540
Net cash provided by/(used in) operating activities	16	**(240,785)**	(266,230)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for exploration activities		**(31,050)**	(22,384)
Net cash used by investing activities		**(31,050)**	(22,384)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from issue of shares		**491,578**	-
Net cash used by financing activities		**491,578**	-
Net increase/(decrease) in cash and cash equivalents held		**219,743**	(288,614)
Cash and cash equivalents at beginning of year		**514,888**	803,502
Cash and cash equivalents at end of financial year	8	**734,631**	514,888

The accompanying notes form part of these financial statements.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Principles of Consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 20 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Interest revenue

Interest is recognised using the effective interest method.

2 Summary of Significant Accounting Policies (continued)

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilites on the consolidated statement of financial position.

(e) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 2(i) for further discussion on the determination of impairment losses.

(f) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- 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 accounting profit nor taxable profit (tax loss).

- Taxable temporary differences arising on the initial recognition of goodwill.

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

2 Summary of Significant Accounting Policies (continued)

(f) Income Tax (continued)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(g) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included 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 is classified as operating cash flows.

(h) Plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leashold improvements are amortised over the shorter of either the unexpired period of the lease of their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	13-50 %

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

2 Summary of Significant Accounting Policies (continued)

(i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j) Exploration and development expenditure

Exploration, evaluation and development 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 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. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that 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. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. 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 have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

Any changes in the estimates for the costs are accounted on a prospective basis in the consolidated statement of profit or loss and other comprehensive income. In determining the costs of site restoration, there is an uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

2 Summary of Significant Accounting Policies (continued)

(k) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Equity-settled compensation

The Group proivded benefits to Directors of the Group in the form of share-based payments, whereby Directors received options (equity-settled transactions) as compensation for work prior to listing.

The cost of these equity-settled transactions with Directors is measured by reference to the fair value at the date at which they were granted. Share-based payments to non-employees are measured at the fair value of the equity instruments issued. 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 consolidated statement of profit or loss and other comprehensive income, 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 issued capital.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(n) Earnings per share

Lawson Gold Limited presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account in 2017 and 2016.

(o) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2016. Information on the more significant standard(s) is presented below.

2 Summary of Significant Accounting Policies (continued)

(o) Adoption of new and revised accounting standards (continued)

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue based amortisation method might be appropriate) only in two (2) limited circumstances:

- the intangible asset is expressed as a meaure of revenue, for example when the predominant limiting factor inherent in an intangile asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

AASB 2014-4 is applicable to annual reporting periods beginning on or after 1 January 2016. The adoption of these amendments has not had a material impact on the Group.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

AASB 2014-9 is applicable to annual reporting periods beginning on or after 1 January 2016. The adoption of these amendments has not had a material impact on the Group.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position.
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy

AASB 2015-2 is applicable to annual reporting periods beginning on or after 1 January 2016. The adoption of these amendments has not had a material impact on the Group.

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

2 Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Nature of change	Likely impact
AASB 9 Financial Instruments	1 January 2018	This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting. Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.	When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.
AASB 16 Leases	1 January 2018	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.	When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.
AASB 2016-2 Disclosure Initiative – Amendment to AASB 107	1 January 2017	This standard amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes.	When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

2 Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Nature of change	Likely impact
AASB 2016-5 Amendments to Australian Accounting Standards Classification and Measurement of Share-based Payment Transactions	1 January 2018	This Standard amends AASB 2 Share-based Payment to address: The accounting for the effects of vesting and non vesting conditions on the measurement of cash settled share based payments; The classification of share based payment transactions with a net settlement feature for withholding tax obligations; and The accounting for a modification to the terms and conditions of a share based payment that changes the classification of the transaction from cash settled to equity settled.	When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the financial statements.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - capitalisation of exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

4 Operating Segments

Segment information

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and has concluded at this time that there are no separately identifiable segments.

5 Revenue and expenses

(a) Interest revenue

Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Revenue and expenses (continued)

(a) Interest revenue (continued)

	2017	2016
	$	$
- Bank interest received or receivable	**10,028**	16,953

(b) Expenses

	2017	2016
	$	$
Employee Benefit Expense		
- Directors fees & other remuneration expenses	**88,787**	92,437
- Total employee benefit expenses	**88,787**	92,437
Other Expenses		
- Legal costs	**23,625**	3,298
- Insurance	**7,740**	8,555
- ASX fees	**21,690**	17,107
- Audit fees	**23,000**	23,097
- Other expenses	**19,686**	14,231
Total other expenses	**95,741**	66,288
Total expenses	**184,528**	158,725

6 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2017	2016
	$	$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)	**(73,234)**	(96,919)
Add:		
Tax effect of:		
- other non-allowable items	**252**	33,504
- other deductible items	**(7,005)**	(42,950)
	(79,987)	(106,365)
Less:		
Tax effect of:		
- tax losses not recognised due to not meeting recognition criteria	**(79,987)**	(106,365)
Income tax expense	**-**	-

The Group has tax losses arising in Australia of $5,446,191 (2016:$5,179,569) that are available indefinitely for offset against future taxable profits of the Group.

This deferred tax asset will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the beenfit to be realised; and
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

7 Earnings/(Loss) per Share

Earnings/(loss) per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

(a) Reconciliation of earnings to profit or loss from continuing operations

	2017	2016
	$	$
Net loss attributable to ordinary equity holders of the parent entity	**(244,113)**	(323,064)

Notes to the Financial Statements

For the Year Ended 30 June 2017

8 Cash and Cash Equivalents (continued)

Reconciliation of cash (continued)

	2017 $	2016 $
Losses used to calculate basic EPS from continuing operations	**(244,113)**	(323,064)
Earnings used in the calculation of dilutive EPS from continuing operations	**(244,113)**	(323,064)

(b) Losses used to calculate overall earnings per share

	2017 $	2016 $
Losses used to calculate overall earnings per share	**(244,113)**	(323,064)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2017 No.	2016 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**53,262,802**	49,786,002
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**53,262,802**	49,786,002

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account in 2017 and 2016.

8 Cash and Cash Equivalents

	2017 $	2016 $
Cash at bank and in hand	**128,000**	64,888
Short-term deposits	**606,631**	450,000
	734,631	514,888

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The weighted average effective interest rate on short-term bank deposits was 2.21% (2016: 3.01%)

Reconciliation of cash

Cash and Cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2017 $	2016 $
	2017	**2016**
	$	**$**
Cash and cash equivalents	**734,631**	514,888
Balance as per consolidated statement of cash flows	**734,631**	514,888

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Trade and Other Receivables

	2017	2016
	$	$
CURRENT		
Interest receivable	**107**	840
GST receivable	**5,971**	3,922
Total current trade and other receivables	**6,078**	4,762

Receivables are not considered past due or impaired.

10 Other Assets

	2017	2016
	$	$
CURRENT		
Prepayments	**658**	628
Total current other assets	**658**	628

11 Property, plant and equipment

PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**14,987**	14,987
Accumulated depreciation	**(14,987)**	(14,987)
Total plant and equipment	**-**	-

12 Exploration, evaluation and development assets

	2017	2016
	$	$
Exploration and evaluation	**680,555**	649,504
Total exploration and evaluation assets	**680,555**	649,504

	Exploration and evaluation
	$
2017	
Balance at beginning of the year	**649,504**
Capitalised exploration costs	**31,051**
Balance at end of the year	**680,555**
2016	
Balance at beginning of the year	735,116
Capitalised exploration costs	22,385
Exploration costs written off	(107,997)

12 Exploration, evaluation and development assets (continued)

	Exploration and evaluation
	$
Balance at end of the year	649,504

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped. through 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 recovered reserves. Management assessment of carried forward expenditure resulted in no relinquishments in the year ended 30 June 2017 (2016: $107,997).

The Group's interest in tenements and unincorporated joint ventures and their carrying values of exploration assets are as follows:

Tenements	**Commodity**	**2017**	**2016**
		$	**$**
100% owned tenements	**Gold**	**690,455**	649,504
		690,455	649,504

13 Trade and Other Payables

	Note	2017	2016
		$	**$**
CURRENT			
Unsecured liabilities			
Trade payables		**15,141**	8,019
PAYG and Superannuation Liabilities		**1,846**	1,952
Other payables		**17,478**	19,819
		34,465	29,790

Included in payables as at 30 June 2017 is a payable to director related entitiy, Geovise Pty Ltd, of $2,504 (2016: $3,114).

14 Issued Capital

	2017	2016
	$	**$**
60,386,002 (2016: 49,786,002) Ordinary shares	**5,796,091**	5,304,513
Total	**5,796,091**	5,304,513

Notes to the Financial Statements

For the Year Ended 30 June 2017

14 Issued Capital (continued)

(a) Ordinary shares

	2017 No.	2016 No.
At the beginning of the reporting period	**49,786,002**	49,786,002
Shares issued during the year		
- Fully paid ordinary shares allotted on 21 February 2017 at $0.05 per share	**8,904,000**	-
- Fully paid ordinary shares allotted on 20 April 2017 at $0.05 per share	**1,696,000**	-
At the end of the reporting period	**60,386,002**	49,786,002

The holders of ordinary shares are entitled to participate in dividends (in the event a dividend is declared) and the proceeds on winding up of the parent entity. On a show of hands at meetings of the parent entity, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Group does not have authorised capital or par value in respect of its shares.

In the event of winding up the Group, ordinary shareholders rank after all creditors and are fully entitled to any net proceeds of liquidation.

(b) Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the group consists of equity attributable to equity holders, comprising issued capital and reserves as disclosed in Notes 14 and 15 respectively.

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs.

15 Reserves

	2017 $	2016 $
Share option reserve		
Balance at beginning of the year	-	139,500
Options expensed during the year	-	(139,500)
Balance at end of the year	-	-
Total Reserves	-	-

15 Reserves (continued)

15 Reserves (continued)

Share option reserve

This reserve records items recognised on valuation of share options and other equity settled transactions.

Lawson Gold Limited has no options on issue.

16 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	$	$
Net loss for the year	**(244,113)**	(323,064)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation expense	**-**	256
- impairment of non-current assets	**-**	107,997
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(2,049)**	4,723
- decrease in prepayments	**702**	148
- increase/(decrease) in trade and other payables	**4,675**	(56,290)
Cashflows from operations	**(240,785)**	(266,230)

17 Auditors' Remuneration

	2017	2016
	$	$
Remuneration of the auditor of the Group, Grant Thornton Audit Pty Ltd, for:		
- auditing or reviewing the financial report	**23,000**	23,100
Total	**23,000**	23,100

18 Capital and Leasing Commitments

Exploration Leases

In order to maintain current rights of tenure to exploration tenements the Group will be required to spend in the year ending 30 June 2018 amounts of approximately $15,000 (2017: $40,951). These obligations are expected to be fulfilled in the normal course of operations.

19 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2017 (30 June 2016:None).

20 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Subsidiaries:			
Punch Resources Ltd	Australia	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

21 Financial Risk Management

Categories of financial instruments

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2017 $	2016 $
Financial Assets			
Cash and cash equivalents	8	**734,631**	514,888
Loans and receivables	9	**5,971**	4,762
Total financial assets		**740,602**	519,650
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	**34,465**	29,790
Total financial liabilities		**34,465**	29,790

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group does not have significant credit risk exposure with respect to any single counterparty, or any company or counterparties having similar characteristics. The credit risk on liquid funds is limited because the counter parties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

21 Financial Risk Management (continued)

Market risk

(i) Cash flow interest rate sensitivity

The Group is exposed to interest rate risk as it holds some bank deposits at floating rates.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term deposits are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank deposits, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.50% and -(0.50)% (2016: +0.05%/-0.50%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2017		2016	
	+0.50%	**-(0.50)%**	**+0.05%**	**-0.50%**
	$	**$**	**$**	**$**
Cash and cash equivalents				
Net loss	**3,6**	**(3,67**	2,5	(2,57
Equity	**3,6**	**(3,67**	2,5	(2,57

(ii) Financial instrument composition and maturity analysis

The Group's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	%	**%**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets:								
Cash and cash equivalents	**2.21**	3.01	**734,631**	514,888	**-**	-	**734,631**	514,888
Trade and other receivables	**-**	-	**-**	-	**5,971**	4,762	**5,971**	4,762
Total Financial Assets			**734,631**	514,888	**5,971**	4,762	**740,602**	519,650
Financial Liabilities:								
Trade and other payables	**-**	-	**-**	-	**34,465**	29,790	**34,465**	29,790
Total Financial Liabilities	**-**	-	**-**	-	**34,465**	29,790	**34,465**	29,790

The Group is not materially exposed to any effects on changes in interest rates.

21 Financial Risk Management (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board which has built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves.

The Company‘s liabilities have contractual maturities which are summarised below. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

	Not later than 1 month		1 to 3 months		3 months to 1 year	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**	**$**	**$**
Trade and other payables	**-**	-	**34,465**	29,790	**-**	-
Total	**-**	-	**34,465**	29,790	**-**	-

22 Related Parties

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- O'Loughlin's Lawyers, of which Simon O'Loughlin is a partner received professional service fees of $5,335 during the year ended 30 June 2017 (2016: $6,762).
- Geovise Pty Ltd, of which Peter Reid is a Director, received consulting fees of $6,802 (2016: $7,118)

For details of Key Management Personnel's remuneration, interests in shares and options of the Group, refer to Note 21 Key Management Personnel Disclosures.

23 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Lawson Gold Limited during the year are as follows:

	2017	2016
	$	**$**
Short-term employee benefits	**80,976**	88,076
Post-employment benefits	**3,325**	4,156
Total remuneration paid to key management personnel	**84,301**	92,232

23 Key Management Personnel Disclosures (continued)

The Remuneration Report contained in the Director's Report contains details of the remuneration paid or payable to each member of Lawson Gold Limited's key management personnel for the year ended 30 June 2017 and their interests in shares and options of the Company.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 22 Related Parties.

24 Parent entity

The following information has been extracted from the books and records of the parent, Lawson Gold Limited and has been prepared in accordance with Accounting Standards.

	2017	2016
	$	$
Consolidated Statement of Financial Position		
Assets		
Current assets	**735,397**	520,258
Non current assets	**680,556**	653,124
Total Assets	**1,415,953**	1,173,382
Liabilities		
Current liabilities	**28,495**	29,791
Total Liabilities	**28,495**	29,791
Equity		
Issued capital	**5,796,091**	5,304,513
Accumulated losses	**(4,428,633)**	(4,160,922)
Total Equity	**1,367,458**	1,143,591
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Loss for the year	**(239,218)**	(321,925)
Total comprehensive income	**(239,218)**	(321,925)

Guarantees

The parent entity has not entered into a deed of cross-guarantee nor are there any contingent liabilities as at 30 June 2017 or 30 June 2016. The parent entity did not have any commitments as at 30 June 2017 or 30 June 2016.

25 Events Occurring After the Reporting Date

On 21 August 2017 Lawson Gold Limited ("LSN") announced that it has executed a Binding Term Sheet ("Agreement") to acquire 100% of the issued capital of Evandale Minerals Pty Ltd ("Evandale")("the Transaction").

Evandale is a privately owned Australian mineral exploration company. Evandale owns the Sturgeon Lake Project which comprises 100% interest in five exploration claims in Ontario, Canada.

25 Events Occurring After the Reporting Date (continued)

Completion of the Transaction is subject to LSN shareholder approval, and LSN and the vendors of Evandale each undertaking due diligence within the period of 60 days from the date of the Agreement that was dated 20 August 2017. Completion of the Transaction is also subject to regulatory approval.

Upon completion of the Transaction, LSN is to issue 23,333,333 fully paid ordinary shares ("Settlement Shares") to the vendors and/or their nominees as consideration. The settlement shares are subject to an escrow period of 12 months from date of issue (or such longer escrow period that may be required by ASX).

On the date of completion LSN shall undertake a Placement of 55,000,000 shares at $0.03 per Share ("Placement") to raise a total of $1,650,000 before costs. The vendors and/or their nominees shall subscribe for a total of 50,000,000 LSN shares at $0.03 per share in the placement.

On completion, Justin Tremain and Aaron Bertolatti shall, subject to them consenting in writing to act, be appointed as directors of LSN; and Peter Reid shall resign as a director of LSN, disclaiming any right to compensation, damages or otherwise.

For additional information pertaining to the Agreement please refer to the ASX announcement dated 21 August 2017.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2017 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

2. the Chairman and Company Secretary have given the declarations required by Section 295A that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the consolidated financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

Simon O'Loughlin
Chairman, Non-Executive Director

Dated this 26th day of September 2017

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Independent Auditor's Report
To the Members of Lawson Gold Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Lawson Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Exploration and Evaluation Assets – valuation Note 12</td><td></td></tr>
<tr><td>At 30 June 2017 the carrying value of Exploration and Evaluation Assets was $680,555.

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.

The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.

This area is a key audit matter due to the valuation of exploration and evaluation assets being a significant risk.</td><td>Our procedures included, amongst others:

• Obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
• Reviewing management's area of interest considerations against AASB 6;
• Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
– Tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
– Enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure;
– Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and
• Assessing the appropriateness of the related disclosures within the financial statements.</td></tr>
</table>

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 13 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Lawson Gold Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Ian Kemp

I S Kemp
Partner - Audit & Assurance

Adelaide, 26 September 2017

Additional Information for Listed Public Companies

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 22 September 2017.

Substantial shareholders

There are no substantial shareholders to be disclosed.

Voting rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of equity security holders

60,386,002 fully paid ordinary shares are held by 286 individual shareholders. There are no restricted and unquoted ordinary shares.

There were 16 holders of less than a marketable parcel of ordinary shares.

	Fully Paid Ordinary Shares	**Unquoted Options**
1 – 1,000	8	-
1,001 – 5,000	8	-
5,001 – 10,000	74	-
10,001 – 100,000	115	-
100,001 and over	81	-
	278	**-**
Holding less than a marketable parcel	16	-

Securities exchange

The Group is listed on the Australian Securities Exchange.

Additional Information for Listed Public Companies

30 June 2017

Twenty largest shareholders

	Fully Paid Ordinary Shares	
	Number	Percentage
Penore Holdings Pty Ltd <Nyvlt Superannuation Fund A/C>	2,500,000	4.14%
Roseman (SA) Pty Ltd	2,325,000	3.85%
Octifil Pty Ltd	2,220,000	3.68%
Ms Xian Xia Zeng	2,100,000	3.48%
Teefish Super Pty Ltd <Teefish Super Fund A/C>	2,083,266	3.45%
GP Securities Pty Ltd	2,000,000	3.31%
Mrs Susan Maree Whiting	2,000,000	3.31%
HSBC Custody Nominees <Australia>	1,430,000	2.37%
Greenslade Holdings Pty Ltd	1,400,000	2.32%
Jimbzal Pty Ltd <Taylor Family A/C>	1,300,000	2.15%
Mr Joe Singer	1,250,000	2.07%
Mousetrap Nominees Pty Ltd	1,216,666	2.01%
Vistabrite Pty Ltd <JC&B Super Fund A/C>	1,192,466	1.97%
BNP Paribas Nominees Pty Ltd <Jarvis A/C Non Treaty DRP>	1,150,000	1.90%
HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	1,080,000	1.79%
Mr George Anthony Capozzi	1,050,000	1.74%
Citicorp Nominees Pty Ltd	1,035,000	1.71%
Arredo Pty Ltd	1,000,000	1.66%
Wobbly Investments Pty Ltd	993,333	1.64%
Dejul Trading Pty Ltd <Eddington Trading A/C>	986,667	1.63%
	30,312,398	**50.20%**

List of mining tenements

Tenement	Location	Area	Registered holder/applicant	Interest in tenement
E27/345	Kalgoorlie Area, WA	8 BL	Lawson Gold Ltd	100%
E27/478	Kalgoorlie Area, WA	5 BL	Lawson Gold Ltd	100%
E27/510	Kalgoorlie Area, WA	4 BL	Lawson Gold Ltd	100%
M27/263	Kalgoorlie Area, WA	792.85 HA	Lawson Gold Ltd	100%

BL - Blocks
HA - hectares