

27 October 2010

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September Quarter activities report to Shareholders

- **IPO raises \$4.7million and Lawson Gold listed on ASX**
- **Initial reconnaissance RAB drilling has confirmed surface soil gold anomalies and identified several gold-bearing structures.**
- **Results substantiate the current exploration model and targeting of Kanowna Belle style gold deposits.**
- **Systematic exploration of all tenements to prioritise targets* for drill testing has commenced.**

This is the first quarterly activities report for Lawson Gold (ASX:LSN) following the successful initial public offering which raised \$4.7million and subsequent listing on the ASX on 5 August.

On 14 September 2010 LSN released positive gold assays following the completion of an initial 183 hole RAB drilling program approximately 20km north of Kanowna near Kalgoorlie, Western Australia.

The RAB drilling to depths of 40-50 metres (nominally fresh rock) returned anomalous gold results ranging from 30ppb to maximum 330ppb (0.3 g/t gold). Anomalous gold was commonly associated with elevated values of arsenic, antimony and lead which are recognised as “pathfinder” elements for gold mineralisation in the Kanowna district.

This first pass RAB drilling program covering less than 15% of the tenements has greatly improved the company’s understanding of geochemistry in the weathered profile (soil and deeply weathered rock) and assisted in prioritising targets for follow-up exploration.

During field work old gold workings dating before the 1930’s were ‘re-discovered’ revealing an area of significant quartz veining, brecciation and alteration of intermediate volcanoclastic host rocks. This style of mineralisation is similar to that occurring at the Kanowna Belle gold deposit and supports the Company’s exploration model.

Recent exploration activities conducted during September include:

- Geological mapping and interpretation of geophysical data (aeromagnetic) and geochemical data to prioritise gold exploration targets
- Sub-sampling and detailed geological logging of anomalous gold intervals from RAB drilling for quality control and to better understand geology, structure (faulting), alteration and gold mineralisation
- Planning and commencement of approval processes for subsequent exploration programs, including Aboriginal heritage surveys
- Completion of reconnaissance soil sampling of M27/0265
- Environmental rehabilitation of RAB drill sites involving hole capping.

Fast Facts - October 2010

Share Code	ASX : LSN
Shares on Issue	24.9 million
Options	<u>0.9 million</u>
Fully Diluted	25.8 million
Debt	nil
Market Cap	\$5 million
Cash at Bank	\$4.46 million
as at 30 September 2010	

Directors & Management

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

Top Shareholders

ANZ Nominees	20.1%
John Nyvlt	10.0%
First Samuel	7.1%
FerrAus Limited	6.0%

Project Location

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

Lawson Gold Project

- * Land package 48sqkm
- * Verification sampling positive
- * First RAB drilling completed ~8,000 metres in Sept quarter
- * Planned December quarter:
 - Mapping & soil sampling
 - Drill target prioritisation
 - Infill RAB & priority RC drilling

Further Information

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c/. Collins St Media

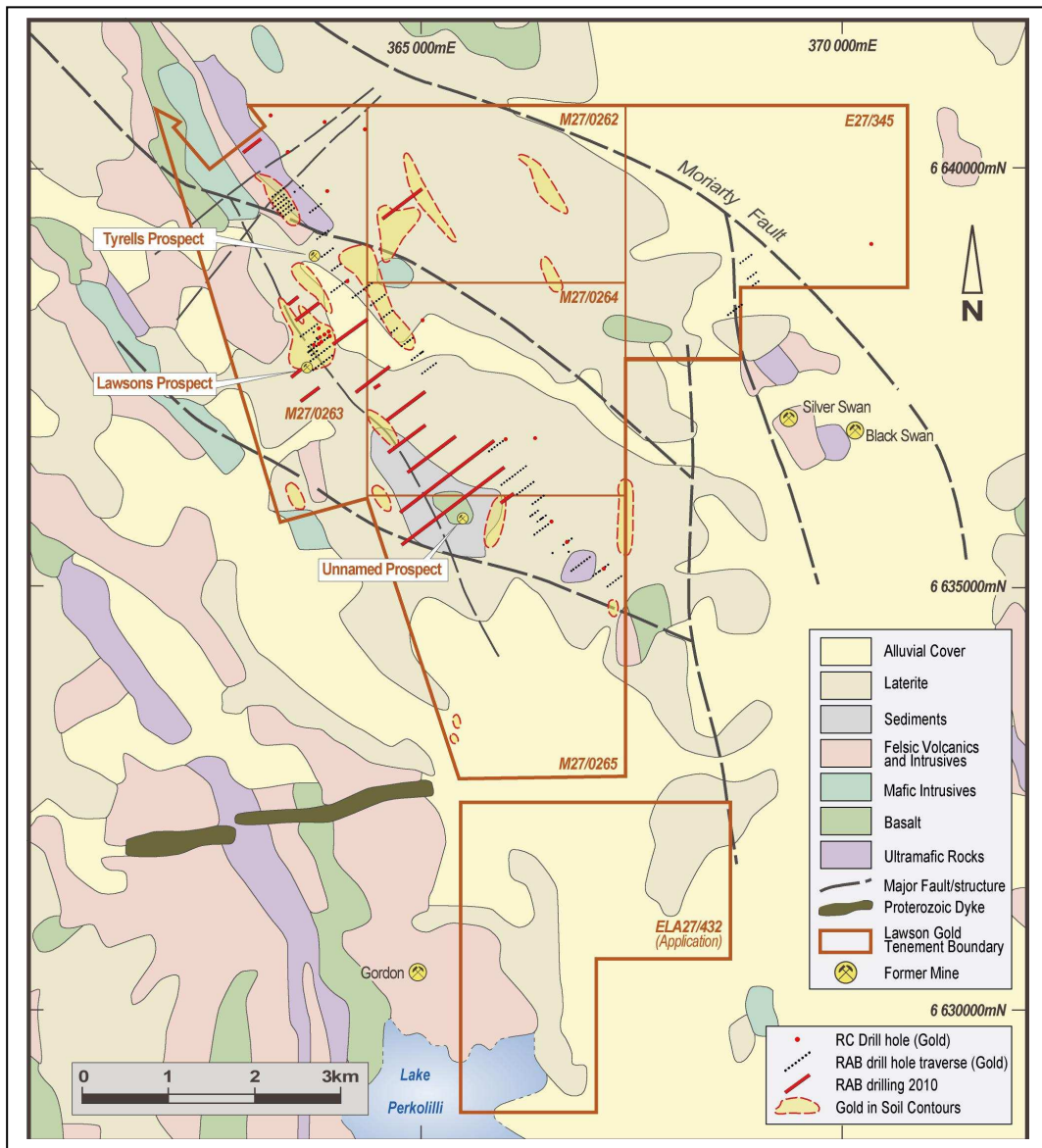


Figure 1: Location Plan – Reconnaissance RAB drilling and “rediscovered” unnamed gold workings



Figure 2: RAB drilling, September quarter 2010



Figure 3: “Rediscovered” old gold workings

Exploration planned for the December quarter includes:

- **Approvals** - Progress approvals for granting of ELA27/432 to allow for reconnaissance soil sampling.
- **Heritage** - Conduct Aboriginal heritage survey for clearance of planned RAB drilling.
- **Reconnaissance** - Soil sampling of E27/345 to identify additional gold exploration targets*
- **Diamond Drilling** - Subject to drill rig availability, conduct diamond core drilling (+/- RC collars) at the Lawson Gold Prospect and Tyrells Gold Prospect to better define the style, grade and orientation of the gold mineralisation. Work program comprises of 3-4 diamond core holes to ~150m depth and is scheduled over ~2 week period to commence at end November – early December
- **RAB Drilling**- Subject to rig availability and access arrangements, conduct follow-up RAB drilling of targets generated from geological interpretation of recent RAB drilling, detailed geological mapping and re-interpretation of aeromagnetic data on E27/263-5. (Note: RAB drilling may be deferred to March quarter given limited rigs and pending approvals.)
- **Nugget Patches** - Assess options to evaluate several “nugget patches” within the tenement area to better understand the technical and commercial significance of these surface gold occurrences. (Note: drilling is ineffective in evaluating the “nugget patches” as there is no chemical dispersion or supergene concentration of gold in the soil profile).

About Lawson Gold Limited:

Kanowna district-focused Lawson Gold listed via a \$4.7 million IPO in August 2010 with plans to advance gold exploration on tenements located approximately 20kms north of Barrick Gold’s 280,000 oz pa Kanowna Belle gold mine.

The Lawson Gold Project area covers an 8km strike length of Archaean ultramafic, mafic, intermediate volcanoclastic and sedimentary rock stratigraphy. Current work is focused on systematic gold exploration of all tenements in order to rapidly evaluate the potential of the project area to contain a significant gold deposit* (nominally >500,000 ounces). Exploration methods include surface soil sampling, geological mapping and sampling, RAB drilling and RC & Diamond drilling.

Annual exploration budget is a minimum \$800,000 to maximum \$1,400,000 during the 2010-2011 field season and, based on success, an exploration budget of a minimum \$1,200,000 to maximum \$2,200,000 during the 2011-2012 field season.

(refer Lawson Gold Limited’s prospectus June 2010 available at its website www.lawsongold.com)

Past Exploration

Despite numerous gold discoveries in the region in the 1800s and early 1900’s, the initial discovery hole for the Kanowna Belle gold deposit was not drilled until 1989 and the first resource estimate in 1991.

At the Lawson Gold project area, there has been no comprehensive systematic gold-focused exploration.

Previous work by Mt Kersey Mining (1990-99) and Mithril Resources (2005-09) focused predominantly on nickel. Often gold analysis was limited to bottom of hole samples which can underestimate or overlook gold potential.

The best gold intersection reported by Mt Kersey of 4m @ 8.58g/t Au was from 44m depth. Of five shallow holes drilled by NiQuest Limited in 2004-5 (now Ferraus Limited), four drill holes returned anomalous gold and in hole ESR054 the last 5 metres in a 77 metre deep hole returned 18.22 g/t gold before drilling stopped.

Further information:

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

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

Media enquiries to:

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

Competent Persons Statement:

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

**Lawson Gold Limited has not yet reported Mineral Resources from exploration of targets or named prospects on its project area. While the company remains optimistic it will report resources in the future, any discussion in relation to exploration potential or targets or potential gold mineralisation is only conceptual in nature and it is uncertain if further exploration will result in determination of a Mineral Resource.*

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

APPENDIX 5B
Mining exploration entity quarterly report

LAWSON GOLD LTD

ABN 32 141 804 104

Quarter ended

30-Sep-10

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(10) * Note 1	(10)
(b) development	-	-
(c) production	-	-
(d) administration	(73)	(73)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Joint Venture repayments	-	-
Net Operating Cash Flows	(70)	(70)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing cash flows	0	0
1.13 Total operating and investing cash flows (carried forward)	(70)	(70)

* Note 1: Approximately \$568,000 is owing to FerrAus Limited for exploration costs funded by FerrAus prior to listing and up to 30th September 2010.

1.13 Total operating and investing cash flows (brought forward)	(70)	(70)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	4,679	4,679
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Share issue costs)	(150) * Note 2	(150)
Net financing cash flows	4,529	4,529
Net increase (decrease) in cash held	4,459	4,459
1.20 Cash at beginning of quarter / year to date	3	3
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	4,462	4,462
Payments to directors of the entity and associates of the directors		
Payments to related entities of the entity and associates of the related entities	Current quarter \$A'000	
1.23 Aggregate amount of payments to the parties included in item 1.2	46	
1.24 Aggregate amount of loans to the parties included in item 1.10	-	
1.25 Explanation necessary for an understanding of the transactions		
Directors' fees and professional services paid during the quarter including costs associated with initial public offering.		
Non-cash financing and investing activities		
2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows		
Nil		

* Note 2: Approximately \$146,000 is owing to FerrAus Limited for listing costs funded by FerrAus.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated net cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	288
4.2 Development	-
4.3 Administration	70
Total	358

Reconciliation of cash

	Current quarter \$A'000	Previous quarter \$A'000
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		
5.1 Cash on hand and at bank	19	3
5.2 Deposits at call	1,443	0
5.3 Bank overdraft		
5.4 Other (provide details) - 30 and 60 day term deposits	3,000	0
Total: cash at end of quarter (item 1.22)	4,462	3

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1	n/a			
		Interests in mining tenements relinquished, reduced or lapsed		

6.2 Interests in mining tenements acquired or increased

n/a			
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Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	24,893,001	24,893,001	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	23,393,000	23,393,000	20 cents each	20 cents each
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	300,000 600,000		<u>Exercise Price</u> 30 cents each 40 cents each	<u>Expiry Date</u> 04/08/2015 04/08/2015
7.8 Issued during quarter	300,000 600,000		30 cents each 40 cents each	04/08/2015 04/08/2015

7.9	Exercised during quarter				
7.10	Cancelled during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1.0 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2.0 This statement does give a true and fair view of the matters disclosed.



Sign here:.....
Company Secretary

Date: 27 Oct 2010

DONALD STEPHENS

Print name:

Notes

- 1.0 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2.0 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3.0 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.