

Lawson Gold Ltd

ABN 32 141 804 104

Interim Financial Report

for the period ended 31 July 2010

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Directors' Report

The directors of Lawson Gold Ltd ("Lawson Gold", "Company") submit their report for the six month period ended 31 July 2010. In accordance with the Corporations Act 2001, the directors have determined that the first financial year of the Company will end on 30 June 2011. Accordingly the interim financial report has been prepared for the first six months of the reporting period beginning on incorporation date. The Company was incorporated on 2 February 2010 and the report covers the period from that date.

The names of the company's directors in office during the period and until the date of this report are as below. Directors were in office for the period stated below.

Mr David Hillier, Chairman	Appointed 16 Feb 10
Mr David Turvey, Executive Director	Appointed 16 Feb 10
Mr Peter Watson, Non-Executive Director	Appointed 16 Feb 10
Mr Michael Amundsen, Non-Executive Director	Appointed 2 Feb 10, Retired 5 Aug 10
Mr Robert Greenslade, Non-Executive Director	Appointed 2 Feb 10, Retired 5 Aug 10
Mr John Nyvlt, Non-Executive Director	Appointed 2 Feb 10, Retired 5 Aug 10

Operating Result

The loss for the period ended 31 July 2010 after providing for income tax amounted to \$205,988.

Review of Operations

Lawson Gold listed on the Australian Securities Exchange ("ASX") 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 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 and 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.

Subsequent to balance date on the 14 September 2010, the Company announced results from initial RAB drilling at the Lawson Gold Project.

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.

Auditor's independence declaration

The auditor's independence declaration is set out on page 5 and forms part of the directors' report for the period ended 31 July 2010.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'D. Turvey', written in a cursive style.

Mr David Turvey
Executive Director

12 October 2010

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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 review of Lawson Gold Limited for the six month period ended 31 July 2010, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Director – Audit & Assurance

Adelaide, 12 October 2010

Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 JULY 2010

	Note	31 Jul 2010 \$
Revenue from ordinary activities		2,815
Share option expense		(63,000)
Other expenses		(31,081)
Loss before income tax expense		(91,266)
Income tax expense		(114,722)
Loss from continuing operations		(205,988)
Total loss for the period		(205,988)
Other comprehensive income		-
Total comprehensive income for the period		(205,988)

Earnings per share from continuing operations:

Basic earnings per share	<i>Cents</i> (11.05)
Diluted earnings per share	(11.05)

The statement of comprehensive income is to be read in conjunction with the notes to the interim financial report.

Statement of Financial Position

AS AT 31 JULY 2010

	Note	31 July 2010 \$
CURRENT ASSETS		
Cash and cash equivalents		4,680,733
Trade and other receivables		93,367
Other current assets		11,727
TOTAL CURRENT ASSETS		4,785,827
NON-CURRENT ASSETS		
Exploration and evaluation assets		867,860
TOTAL NON-CURRENT ASSETS		867,860
TOTAL ASSETS		5,653,687
CURRENT LIABILITIES		
Trade and other payables		1,009,258
TOTAL CURRENT LIABILITIES		1,009,258
TOTAL LIABILITIES		1,009,258
NET ASSETS		4,644,429
EQUITY		
Issued capital	4	4,710,917
Reserves		139,500
Retained earnings		(205,988)
TOTAL EQUITY		4,644,429

The statement of financial position is to be read in conjunction with the notes to the interim financial report.

Statement of Changes in Equity

FOR THE PERIOD ENDED 31 JULY 2010

Note	Issued Capital \$	Retained Earnings \$	Share Option Reserve \$	Total \$
Balance at incorporation	-	-	-	-
Total comprehensive income	-	(205,988)	-	(205,988)
Issue of shares	4,978,601	-	-	4,978,601
Fair value of share options issued	-	-	139,500	139,500
Transaction costs (net of tax)	(267,684)	-	-	(267,684)
Balance at 31 July 2010	4,710,917	(205,988)	139,500	4,644,429

The statement of changes in equity is to be read in conjunction with the notes to the interim financial report.

Statement of Cash Flows

FOR THE PERIOD ENDED 31 JULY 2010

Note	31 Jul 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(4,267)
Interest received	1,399
NET CASH (USED IN) OPERATING ACTIVITIES	(2,868)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for exploration activities	(640,585)
NET CASH (USED IN) INVESTING ACTIVITIES	(640,585)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	4,678,601
Transaction costs of issue of shares	(154,396)
Proceeds from other entities	799,981
NET CASH PROVIDED BY FINANCING ACTIVITIES	5,324,186
Net increase in cash and cash equivalents	4,680,733
Cash at incorporation	-
CASH AT THE END OF THE PERIOD	4,680,733

The statement of cash flows is to be read in conjunction with the notes to the interim financial report

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 JULY 2010

1. CORPORATE INFORMATION

The interim financial report of Lawson Gold Ltd (the Company) for the period ended 31 July 2010 was authorised for issue in accordance with a resolution of the directors on 12 October 2010. Lawson Gold Ltd is a company limited by shares incorporated and domiciled in Australia. The Company was incorporated on 2 February 2010 and the financial statements reflect the transactions from incorporation to 31 July 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial report includes the financial statements and notes of Lawson Gold Ltd.

Basis of preparation

These general purpose financial statements for the interim reporting period have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

The interim financial report does not include full disclosures of the type normally included in the annual financial report. This report should be read in conjunction with any public announcements made by the Company during the period in accordance with the continuous disclosure requirements under the ASX listing rules.

The interim financial report has been prepared on an accrual basis and is based on historical costs, modified where applicable by the measurement at fair value of selected Non-current assets, financial assets and financial liabilities.

In accordance with section 323D(1) of the Corporations Act 2001, the Board has determined that the first financial year of the Company is for the period from incorporation until 30 June 2011. Therefore, the Company has prepared this interim financial report for the first six months of the first financial year for the period ending 31 July 2010 in accordance with section 323D(5) of the Corporations Act 2001. The Company will not be required to prepare and lodge an interim report for the six months ended 31 December 2009.

a. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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FOR THE PERIOD ENDED 31 JULY 2010

b. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

c. Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

d. Income tax

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

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

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

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FOR THE PERIOD ENDED 31 JULY 2010

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

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

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

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

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

e. **Goods and Services Tax (GST)**

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

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

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

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

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

f. **Impairment of Non-Financial Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are

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discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Exploration expenditure

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

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

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

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

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

h. Trade and other payables

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

i. Provisions

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

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but

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only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

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

j. Issued Capital

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

k. Adoption of New and Revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

Adoption of AASB 8 Operating Segments

The Company has adopted AASB 8 Operating Segments in these financial statements.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101

The Company has adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which has resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

l. Earnings per share

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

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 2010.

m. Critical Accounting Estimates and Judgments

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

Key Estimates – Exploration and evaluation

The Company's policy for exploration and evaluation is discussed in note 2(g). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be

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FOR THE PERIOD ENDED 31 JULY 2010

recovered by future sale or exploration, then the relevant capitalized amount will be written off through the statement of comprehensive income.

n. **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a) the objective of the entity's business model for managing the financial assets; and
 - b) the characteristics of the contractual cash flows.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

AASB 2009-8: Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 JULY 2010

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.

AASB 2009-9: Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Company.

AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Company.

AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

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This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

AASB 2010-01: Limited exemption from comparative AASB 7 disclosures for first time adopters (Amendments to AASB 1 and AASB 7)

These amendments principally give effect to extending the transition provisions of AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments to first-time adopters of Australian Accounting Standards. This standard is not expected to impact the Company.

AASB 2010-3: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]

These standards limit the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.

These standards require an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e. split between consideration and post combination expenses.

These standards clarify that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.

These standards eliminate the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments. This standard is not expected to impact the Company.

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]

These standards emphasise the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. These standards clarify that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements

These standards provide guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.

These standards clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or

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incentives otherwise granted to customers not participating in the award credit scheme, is to be taken in account.

This standard is not expected to impact the Company.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

3. SEGMENT INFORMATION

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

Information reported to the Company's Executive Director for the purposes of resources allocation and assessment of performance is focused on the areas in which the Company is exploring. The Company's reportable segments under AASB 8 are therefore as follows:

- Exploration activities;

Information regarding these segments is presented below. The accounting policies of the new reportable segments are the same as the Company's accounting policies.

The following is an analysis of the Company's revenue and results by reportable operating segment for the periods under review.

	<u>Segment Revenue</u>	<u>Segment Result</u>
	31-Jul 2010 \$	31-Jul 2010 \$
Continuing Operations		
Mineral exploration	-	-
Administration/Corporate	2,815	(91,266)
Total revenue from ordinary activities	<u>2,815</u>	
Loss before income tax		(91,266)
Income tax expense		(114,722)
Loss from continuing operations		<u>(205,988)</u>

The revenue reported above represents revenue generated from interest revenue. There were no intersegment sales during the period.

Segment loss represents the loss from each segment without allocation of central administration costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

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Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. The following is an analysis of the Company's assets by reportable operating segment:

	Opening Balance at incorporation	Capital Expenditure	Other(*)	Closing Balance 31/07/2010
	\$	\$	\$	\$
Continuing Operations				
Mineral exploration	-	567,860	300,000	867,860
Total segment assets	-	567,860	300,000	867,860
Reconciliation of segment assets to group assets				
Administration/Corporate	-			4,785,827
Total group assets	-			5,653,687

(*) The Company issued 1,500,000 shares to FerrAus Limited on 23rd April 2010 at a fair value of \$0.20 per share in consideration for the acquisition of the Lawson Gold project as detailed in the Company prospectus.

4. ISSUED CAPITAL

	As at 31 Jul 10 \$	
Fully paid ordinary shares	4,710,917	
	4,710,917	
	31 Jul 10	
	Number	\$
Ordinary shares		
Balance at incorporation	1	1
Shares issued to FerrAus Ltd	1,500,000	300,000
Initial Public Offering	23,393,000	4,678,600
Transaction costs on shares issued (net of tax)	-	(267,684)
Balance at end of period	24,893,001	4,710,917

5. CONTINGENT LIABILITIES

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

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

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 JULY 2010

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

6. SUBSEQUENT EVENTS

On the 5th August 2010, the Company commenced trading on the Australian Securities Exchange following the successful completion of an IPO that raised \$4.7 million at \$0.20 per share.

There has been no other material event subsequent to the period ended 31 July 2010.

Directors' Declaration

In accordance with a resolution of the directors of Lawson Gold Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes, as set out on pages 6 to 20 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 July 2010 and the performance for the period ended on that date of the entity; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in Note 2; and

- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors



Mr David Turvey
Executive Director

12 October 2010

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LAWSON GOLD LIMITED

We have reviewed the accompanying interim financial report of Lawson Gold Limited ("Company"), which comprises the statement of financial position as at 31 July 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position as at 31 July 2010 and its performance for the six month period ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Lawson Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LAWSON GOLD LIMITED Cont

Auditor's responsibility Cont

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Lawson Gold Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 July 2010 and of its performance for the six month period ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Director – Audit & Assurance

Adelaide, 12 October 2010