

DUNROBIN FEASIBILITY STUDY COMPLETED

Luirigold Limited

ASX Code: LGM

www.luirigold.com

Corporate Structure

Shares on issue	197.43m
Options	21.1m
52 week high	A\$0.135
52 week low	A\$0.03

Cash
(as at 31 October) **A\$2.4m**

Company Directors

Melissa Sturgess
Chairman

Evan Kirby
Director and Chief Executive Officer

Mike Langouant
Executive Director

Robert Brown
Non-Executive Director

HIGHLIGHTS

- Feasibility studies confirm a technically feasible and economically robust project with an ungeared IRR of 37% and NPV (at 7.5% real discount rate) of US\$24.9m
- Gold production forecast to be 85,000 ounces over an 8 year mine life with initial capex of US\$20m and cash costs of US\$790/oz
- Total revenues of US\$137m and net pre-tax post-royalty cash flow of US\$48m based on gold at US\$1550/oz over the mine life
- Life of mine average head grade of 2.61% and recoveries of 90%
- Dunrobin is ready for development and negotiations with debt financiers are underway
- Corporate social responsibility activities well underway and aiming to meet World Bank standards and Equator Principles

Luirigold CEO Dr Evan Kirby said,

"The delivery of the Dunrobin feasibility study has been a key priority for Luirigold over the past quarter. The results of the study are very pleasing and quite clearly justify the work undertaken and our faith in this project.

With a relatively low capex and robust economics we are confident of securing a large component of the capital required from debt sources, thereby reducing the stress on Luirigold's balance sheet.

We have updated the financial institutions that have expressed interest in providing debt funding to the Company on the results of these studies. Discussions with financiers are continuing, with the key outcome being the provision of initial debt development funding for Dunrobin during Q1, 2013."

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The Dunrobin Preliminary Feasibility Study - Based on Indicated/Inferred Resource

The Company's preliminary feasibility study for Dunrobin was based on the January 2012 inferred and indicated resource estimate. The mining component of the study was based on a pit model and mining schedule prepared by Coffey Associates' Johannesburg office. Mining equipment, capital and operating costs were based on information supplied by Bell Equipment and discussions with mining contractors.

Consulmet Metals (Johannesburg) performed an engineering and cost study on the processing plant. The plant design was based on test-work at AMMTEC Laboratories, Australia, with a process flow-sheet incorporating cyanide leaching and carbon in solution gold recovery followed by cyanide recovery and by-product copper concentrate production. A gold recovery of 95% was used, based on previous testwork on oxide ore.

Hambo Dato Services prepared the financial model using current prices for all consumables (power, water, reagents, fuel) whilst labour costs were based on Zambian rates. Financial modelling indicated that the Dunrobin Gold Project was robust and would provide attractive returns.

It was considered that conservative parameters had been used in the preliminary study and that improved definition would significantly improve financial parameters. This provided the encouragement for Luirigold to continue with the additional study work to provide improved definition of project parameters (costs, recoveries, revenues and schedule) and to form the basis of a financing decision.

Current Status – Feasibility Study Completed – Positive Results

The additional feasibility study work is described below. This work is now finished, financial modelling has been completed and the final feasibility report prepared.

The Dunrobin Feasibility Study confirms a technically feasible and economically robust project with an ungeared IRR of 37% and NPV (at 7.5% real discount rate) of US\$24.9m based on a gold price of US\$1550 per ounce. Over an operating life of eight years, the project generates total revenues of US\$137m, and pre-tax, post royalty profits of US\$42m.

Coffey Associates Measured Resource and Pit Optimisation

During July and August 2012 the company completed an infill drilling programme at Dunrobin bringing the hole spacing to a 20m x 20m grid which formed the basis of a resource upgrade. In November 2012, Coffey Associates defined a JORC compliant Measured, Indicated and Inferred Resource at Dunrobin. Coffey Associates, Perth, then undertook a pit optimisation exercise based on the geological information used for the November 2012 resource estimate. This defined the pit shell that maximises project NPV, and generated a mining schedule of annual tonnages and grades of ore over the life of mine. The output of this work has been used in the Final Dunrobin Feasibility Study.

Updated costs and a gold recovery of 90% were used in the pit optimisation.

The important output parameters from the pit optimisation were as follows:

- | | |
|------------------------------------|----------------|
| • Tons of plant feed | 1,128,300 tons |
| • Head-grade | 2.61 g/t gold |
| • Gold production of life of mine | 85 082 oz |
| • Open cast mining stripping ratio | 4.35:1 |

These parameters are very significantly improved when compared with the preliminary study. Specifically, the ounces fed to the plant have increased by 40%, the tonnage of plant feed by 27% and the head grade by 10%.

Additional Metallurgical Information

AMMTEC Laboratories of Perth Australia performed some supplementary metallurgical testwork on cyanide leaching, copper precipitation and cyanide recovery. However, the bulk of the additional metallurgical testwork was incorporated in the analysis work performed on the exploration drilling samples by Genalysis, an international analytical company. All samples from the infill drilling were fire assayed for gold then samples containing more than 0.5 g/t gold were subject to the following tests:

- Multi-element analysis (for arsenic, sulfur, copper, silver, and other elements),
- Bottle-roll leach tests for cyanide soluble gold, cyanide soluble copper, and acid soluble copper.

Altogether, over 500 samples from the Dunrobin infill drilling have been subject to this extended analytical work and the results have provided valuable information on the geo-metallurgy of the ore body.

Some samples did show poor leach characteristics and the locations of such samples are being tracked by the geological software. However, an important conclusion was that the average gold dissolution was excellent and was not affected by increasing depth to the maximum depth achieved by the infill drilling. The average 90% gold recovery used in the study is considered very realistic and possibly slightly conservative.

Review of the Metallurgical Plant Design and Costs

During the latter portion of 2012, Consulmet Metals reviewed all aspects of the metallurgical plant design and updated the process flow diagrams, mass balances and water balance. Equipment selection and sizing was also reviewed. Plant layouts were developed, an implementation plan drawn up, and updated cost estimates were prepared.

The plant flow sheet incorporates SART (Sulfidisation, Acidification, Recycle and Thickening) process technology to recover cyanide from the gold recovery tailings. This process is considered well proven with several installations world wide, including at Telfer Gold Mine in Western Australia. The flow sheet proposed for Dunrobin is very similar to that used at Telfer's pyrite concentrate leach circuit. Experience and expertise from the Telfer project is available to Luirigold via a Perth based consultant.

Geotechnical Assessment

Luirigold retained the services of African Mining Services (AMC) Ltd to carry out a geotechnical investigation at the Dunrobin Project. The objective of the study was to make recommendations for a safe geotechnical mining environment and to validate the assumptions made by Coffey Mining Pty Ltd in their open pit mine design, which was the basis of the preliminary scoping and feasibility studies. The fact that there is already an open pit mine at Dunrobin with existing exposure that has been standing now for in excess of 12 years is a significant advantage as it allows direct observation of existing faces and benches. AMC used mapping techniques of this exposure along with diamond core logging to provide an independent feasibility pit slope stability assessment for mine design and economic evaluation.

AMC confirmed that the Coffey Mining design parameters used in the initial scoping level study were sound and that with further limited geotechnical investigation ahead of mine construction it would be possible to optimize the design to reduce slope angles.

Corporate Social Responsibility

Luirigold engaged GDM Africa to help facilitate the development of a company framework and policies in terms of its corporate social responsibilities (CSR). Key to this has been the establishment of the Shakumbila Trust to which the Company has made a significant contribution. To enable the Trust to operate effectively GDM Africa undertook a variety of projects including a Community Needs Assessment, Job Creation and Skills Development Plan and a Community Development overview. In addition this work will direct the Company and the Trust in the development of their CSR policies. It will also build capacity of the overseeing administrative committees to help best meet the needs of the local communities likely to be affected most by the Company's mining operations.

As part of this work GDM Africa consultants spent a significant amount of time with local people and organisations including a 2 day workshop with members of the local community committee and the Shakumbila Board of Trustees. The purpose of this was to develop an understanding of community needs and to develop the necessary skills to prioritize local projects, and to develop and administer budgets.

In anticipation of a fully functioning Trust and committee, these skills are being tested on existing, but incomplete, projects where budgets are being developed and administered for an animal dip tank, school teachers' housing and classroom.

In addition to this, the Company has begun a programme of sensitization of local people to project development including holding a site open-day where an estimated 1,000 people attended including the Senior Chief Shakumbila, local government officials and dignitaries. This demonstrated considerable interest and support for Luirigold's mine site development in the area.

The Company is working very closely with the Senior Chief Shakumbila who is retained as a consultant and advises on local issues relating to community needs and other matters. He is the local and respected traditional leader within whose chieftom the Company operates and is a member of the House of Chiefs, a nonpolitical but influential organization whose principal remit is to advise Government on traditional affairs.

The CSR work that the Company is undertaking aims to meet World Bank standards, Equator Principles, and meets all minimum requirements of Zambian legislation. Conformance with the Equator Principles is intended to provide potential financiers with a minimum known standard for due diligence to support responsible risk decision making.

About Luiri Gold Ltd

Luiri Gold Limited is a gold exploration and development company that holds 2 mining licences in Zambia that cover the historic Dunrobin and Matala gold deposits. Coffey Mining Pty Ltd of Perth have estimated the current gold resource at the Matala and Dunrobin deposits to be a combined (Measured, Indicated plus Inferred) resource of 10.53 million tonnes at 2.2 g/t Au, for 760,000 ounces of gold reported at a cut-off of 1.0 g/t. Refer to the below table.

Luiri Hill Gold Project Summarized Resource Estimate Reported at 1 g/t Gold Cut-Off				
Matala Deposit				
	Lower Cut-Off Grade (g/t Au)	Tonnes (000's)	Average Grade (g/t Au)	Ounces (000's)
Indicated	1.0	3,204	2.7	278
Inferred	1.0	4,525	2.0	290
Dunrobin Deposit				
	Lower Cut-Off Grade (g/t Au)	Tonnes (000's)	Average Grade (g/t Au)	Ounces (000's)
Measured	1.0	978	2.6	81
Indicated	1.0	1,063	2.0	69
Inferred	1.0	763	1.8	43
Matala and Dunrobin Deposits Combined				
	Lower Cut-Off Grade (g/t Au)	Tonnes (000's)	Average Grade (g/t Au)	Ounces (000's)
Measured	1.0	978	2.6	81
Indicated	1.0	4,267	2.5	347
Inferred	1.0	5,288	2.0	332

Competent Persons

The information in this Announcement that relates to both the Dunrobin and Matala Mineral Resources is based on information compiled or supervised by Mr Ingvar Kirchner who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Kirchner is employed by Coffey Mining and has reviewed this Announcement and consents to the inclusion, form and context of the relevant information herein as derived from the original resource reports. Mr Kirchner has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as Competent Persons as defined in the 2004 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The technical exploration and mining information contained in this Announcement has been reviewed and approved by Mr C White B Sc (Hons) in Applied Geology, General Manager for Luiri Gold Limited. Mr White has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr White is an Employee of Luiri Gold Limited and is a Member of the Institute of Materials, Minerals and Mining. Mr White consents to the inclusion in this Announcement of such information in the form and context in which it appears.