

MATALA SCOPING 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 Langoulant

Executive Director

Robert Brown

Non-Executive Director

HIGHLIGHTS

- Matala scoping study indicates a technically feasible and economically robust project with an ungeared IRR of 30% and NPV (at 7.5% real discount rate) of US\$34.6m
- Gold production forecast to be 176,000 ounces over an 9 year mine life with initial capex of US\$48m and cash costs of US\$844/oz
- Life of mine average head grade of 3.00g/t Au and recoveries of 90%
- Feasibility study being planned

Luirigold CEO Dr Evan Kirby said,

“The scoping study has shown Matala to be a very “do-able” project based on sub-level long-hole open stoping, a mining method which is in common usage in Zambia’s copper mines.

We are looking forward to taking the Matala project to feasibility study level over the next two years”

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The Matala Scoping Study - Based on Indicated/Inferred Resource

The Company's scoping study for Matala is based on the January 2012 inferred and indicated resource estimate. The ore body is steeply dipping (-60 to -65 degrees) and shear hosted with true widths generally between 4 and 14 meters.

The mining component of the study was based on a scoping level underground mining study prepared by Coffey Associates' Johannesburg office. This study document gives details of the sub-level long-hole open stoping (SLOS) mining method, and presents a breakdown of capital and operating costs and a schedule of annual tons mined, mining costs and grade.

The processing information used in the study is based on the latest plant flowsheet for Dunrobin, with costs scaled to the higher throughput. A recovery of 90% has been used based on a reinterpretation of the 2010 testwork, and the new flowsheet which recovers cyanide from the gold tailings and produces a by-product copper concentrate.

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 indicates that the Matala Gold Project is robust and will provide attractive returns.

Key parameters from the financial modelling are as follows:

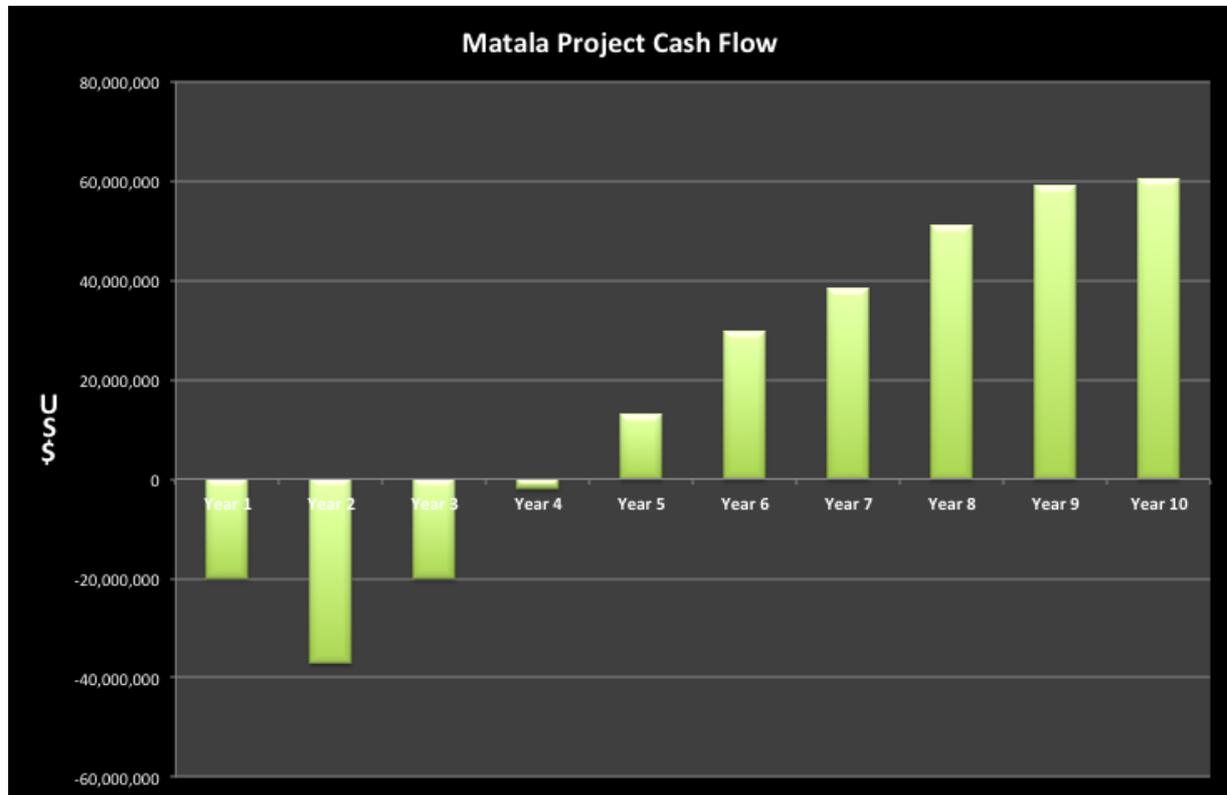
Capex	USD 48m
IRR	30% ungeared
NPV @ 7.5%	USD 34.6m
Mining Cost	USD 42 /ton
Processing Cost	USD 29 /ton
Tailings Cost	USD 2.5 /ton
Overheads Cost	USD 2 /ton
Cash cost	USD 844 /oz
Breakeven gold price	USD 1,187 /oz
Feasibility gold price	USD 1,550 /oz

Production Statistics

Gold Production	176,000 oz
Life of Mine	9 years
Mining Method	Sub-level long-hole open stoping, decline access
Feed Grade	3.00 g/t
Gold Recovery	90%
Tons of Ore Processed	2.034 million tons over life of mine

Development Schedule and Projected Cash Flow

It is anticipated that the development of Matala would commence in 2015 when the Dunrobin Project has reached full production and would ultimately bring the Company's combined gold output from the 2 mining operations to around 40-50,000 ounces per annum. Capital costs for development and construction at Matala would be spread over 2015 and 2016. Free cash from Dunrobin could be used to reduce external funding requirements.



Planned Feasibility Study

Following the positive outcome of the scoping study, additional work to improve the level of project definition is planned for Matala. The feasibility study will include additional drilling to prove a portion of measured resource, additional testwork, environmental permitting, and more definitive mining and processing studies.

The Matala mineral resource is open on strike and to depth so there is potential for resource growth from additional drilling. In addition to this, there are a number of other occurrences of Matala style mineralisation, which have yet to be drilled.

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.