

Issue of shares

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 Oct) A\$2.4m

Company Directors

Melissa Sturgess

Executive Chair

Evan Kirby

Director and Chief Executive Officer

Mike Langoulant

Executive Director

Robert Brown

Non-Executive Director

Luirigold Ltd (ASX: LGM) (“Luirigold” or the “Company”) is pleased to announce that as a prelude to debt funding and development of the Dunrobin and Matala Gold deposits it has reached agreement with the Shakumbila Trust (the “Trust”) to issue it with 10 million Luirigold fully paid common shares in satisfaction of obligations committed to in the August 2011 agreement between Luirigold and Senior Chief Shakumbila (the “Agreement”).

Under the Agreement, the Company committed to assist the Senior Chief to establish and fund a community trust for the benefit of those communities in the vicinity of the Company’s exploration tenements. Once the Trust was legally established, Luirigold committed to issue to the Trust Luirigold shares to the value of 5% of its Zambian project.

The community trust has now been officially incorporated as the Shakumbila Trust. The Company and Senior Chief Shakumbila (as Trust Chairman) subsequently engaged Mr John Van Dieren of Stantons International Ltd to value 5% of the Zambian project. Upon receipt of this valuation, both parties have agreed that an issue of 10 million Luirigold shares satisfies the obligations under the Agreement.

The Luirigold shares will be issued to the Trust once a settlement agreement between Luirigold and the Trust has been executed and shareholder approval has been obtained.

In addition, the Company has agreed to issue 6 million Luirigold fully paid common shares to the international consulting firms, Shukran GMBH and Portico Investments Ltd (the “Consultants”) in full settlement of all the Consultants’ future fees and expenses under a services and strategic relationship agreement (Services Agreement) entered into with the Consultants.

The Consultants have provided important assistance to the Company’s executives in resolving the various tenement title issues that had previously plagued the Company.

The Consultants’ ongoing services being provided under the Services Agreement are:

- to provide Luirigold with general corporate and strategic advice, particularly in relation to doing business in Zambia;
- to assist Luirigold with its public relations activities in Zambia;
- to provide advice to Luirigold with respect to the acquisition and maintenance of mineral licenses and other mineral interests; and
- to identify and introduce further potential projects to enable Luirigold to build substantial mining and exploration activities.

Both the above share issues are subject to shareholder approval at a meeting to be called in the near future.

Luirigold CEO, Dr Evan Kirby said, *“These share issues finalise the legacy matters faced by the new management of Luirigold when negotiating the return of the Company’s key asset, the mining licence covering the Dunrobin and Matala gold deposits and when developing the Company’s relationships in Zambia.*

We are very pleased to have been able to reach agreement with the Senior Chief on the issue of shares in Luirigold to fund future community projects.

Luirigold has 30 Zambian employees and the establishment of mining operations is anticipated to provide further significant employment opportunities for the community and additional long-term benefits to all stakeholders.

In the meantime, the Company has engaged (at its own expense) an experienced CSR consultant to assist in the establishment of appropriate protocols and procedures for the Trust, while at the same time preparing work programs/budgets for a range of community projects that will be considered for funding from the Trust.”

For further information please contact:

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