

MAIDEN ORE RESERVE ESTABLISHED AT DUNROBIN

Luirigold Limited

ASX Code: LGM

www.luirigold.com

Corporate Structure

Shares on issue	256.04m
Options	21.1m
52 week high	A\$0.068
52 week low	A\$0.012

Cash (as at 30 April) **A\$1.9m**

Company Directors

Melissa Sturgess
Chairman

Evan Kirby
Technical Director

Mike Langoulant
Executive Director

Robert Brown
Non-Executive Director

HIGHLIGHTS

- Probable Ore Reserve at Dunrobin:
1.0 million tons @ 2.7 g/t for 87,000 ounces gold;
- The establishment of a Probable Ore Reserve has been completed to satisfy the due diligence requirements of potential funders;
- The Ore Reserve estimate by Coffey Mining is based on a gold price of USD 1225 per ounce;
- 45% of Dunrobin Resource metal is now in Probable Ore Reserve Category (JORC 2004);

Luirigold Technical Director, Dr Evan Kirby, said:

"The stated Ore Reserve is a good result given that, compared to the previously announced Resource Statement, there is an improvement in tons, grade and metal ounces. This new estimate inherently carries a much higher degree of confidence, based as it is upon detailed independent estimates of capital and operating costs and demonstrates the current economically mineable portion of the Dunrobin deposit."

For further information please contact:

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Upgrade of Resource Statement to Ore Reserve status

In its derivation of the Ore Reserve, Coffey considered the costings and technical work completed by the independent consultations who contributed to the Feasibility Study.

Luirigold has completed a feasibility study to address the technical and financial viability of the Dunrobin Gold Project. The study considers open pit mining of the Dunrobin deposit and processing 200,000 tons of ore per year by crushing, grinding and cyanide leaching.

The Dunrobin deposit is one of the mineral resources located on Luirigold's mining licence area, approximately 120 km west-northwest of the Zambian capital, Lusaka.

Companies involved in the study and their areas of responsibility are shown below:

Responsibility	Company
Resource modelling, mine planning and ore reserve estimation	Coffey Mining Pty Ltd
Mining operating cost	Quote from Avantech
Processing plant design, operating & capital costs	Consulmet Metals (Pty) Ltd
Metallurgical review and recovery estimate	ENC Minerals
Site infrastructure costs	Weatherhaven RCS, Zesco, FeZa, Luirigold
Tailings storage facility	Tailex International Limited
General and administration costs	Luirigold
Hydrogeology	GCS (Pty) Ltd, Geophex Surveys Limited
Geotechnical	African Mining Consultants
Mining dilution and recovery	Coffey Mining
Social and environmental	African Mining Consultants
Legal Tenure	Chibesakunda & Co Advocates
Government	Luirigold
Financial Modelling	FeZa

Ore Reserve Determination

The Ore Reserve determined by Coffey Mining is summarised below

Classification	Ore Reserves		
	Tonnes	Gold Grade	Ounces in Situ
	(millions)	(g/t)	(koz)
Probable	1.0	2.7	87

Coffey Mining has compiled this statement in accordance with the guidelines provided by the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), effective December 2004.

The Ore Reserves were determined as an extension of the mine planning work that Coffey Mining undertook for Luirigold Limited for the Dunrobin Feasibility Study. The tonnages were based on mine

planning work that was undertaken utilising the Measured and Indicated Resources. Reserves were predicated on the Whittle Four-X pit optimisation result that was based on Measured and Indicated Resources only.

Coffey Mining used the following parameters in the determination of the ore reserve:

Parameter	Units	Value
Processing plant feed rate	Tonnes per year	200,000
Gold price	USD per ounce	1,225
Refining & transport as % of revenue	%	1
Royalty payment	%	6
Total capital expenditure	USD millions	17.5
Processing cost	USD per tonne milled	24.99
General & administration cost	USD per tonne milled	6.65
Average mining cost based on contractor mining	USD per tonne of ore and waste mined	5.10
Mining stripping ratio (waste : ore)	Ratio	4.8:1
Processing recovery	%	90
Mining dilution added	%	0
Mining recovery	%	97
Overall pit wall slope inclusive of ramp system	Degrees	47
Note: The resource estimate is based on MIK grade estimation which inherently includes dilution		

Based on the above parameters, the economic cut-off grade is 1.0 g/t, and the average cash cost inclusive of royalties is USD 827 per ounce.

The reported Ore Reserves have been compiled by Mr Harry Warries. Mr Warries is a Fellow of the Australian Institute of Mining and Metallurgy and an employee of Coffey Mining Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr Warries gives Luirigold Limited consent to use this reserve estimate in reports.

About Luir Gold Ltd

Luir 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 761,000 ounces of gold reported at a cut-off of 1.0 g/t. Refer to the table below.

Luir 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 statement 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 presentation 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 Luir 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 Luir 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.