

## QUARTERLY REPORT TO 31 OCTOBER 2013

### Luirigold Limited

ASX Code: LGM

[www.luirigold.com](http://www.luirigold.com)

### Corporate Structure

Shares on issue	268.70m
Options	23.1m
52 week high	A\$0.041
52 week low	A\$0.008

**Cash (as at 31 Oct)**    **A\$0.44m**

### Company Directors

**Melissa Sturgess**  
Executive Chairman

**Evan Kirby**  
Technical Director

**Mike Langoulant**  
Executive Director

**Robert Brown**  
Non-Executive Director

## HIGHLIGHTS OF THE QUARTER

### Luirigold Hill Gold Project, Zambia

- Positive Independent Feasibility Study completed by Coffey Mining for the Dunrobin Project confirms a technically feasible and economically viable project in the current gold price environment
- Environmental Permit Granted for Dunrobin project

### Corporate

- Funding negotiations continuing with potential financiers

For further information please contact:

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**Luir Gold Limited (ASX:LGM)**, (“Luir” or the “Company”) a gold exploration and development company, is pleased to announce its Quarterly Activities Report for the 3 months ended 31 October 2013.

## **LUIRI HILL GOLD PROJECT**

### **Coffey Mining – Independent Dunrobin Feasibility Study**

As requested by potential debt funders, the Company commissioned Coffey Mining Pty Ltd of Perth to complete an independent Feasibility Study (Coffey FS) of the Dunrobin project. This report was issued on 6 November 2013. The Coffey FS confirms the Company’s internal studies that the Dunrobin project is a technically feasible and economically viable project. The Coffey FS utilised a life of mine USD1,300/oz gold price that produces a positive IRR of 18.2%. The sensitivity analysis shows that this return will increase substantially with gold price improvement.

In adopting a lower gold price than the \$1550/oz used in Luir’s internal study (January 2013), the Coffey FS has produced (as expected) a lower IRR with a slightly reduced total gold production reflecting a smaller optimum pit shell. As a result of this, the Coffey FS has produced a lower cash cost of \$766/oz compared to the Company’s internally generated estimate of \$790/oz.

The Coffey FS considers mining and processing 1,016,685 tons of ore at an average grade of 2.67 g/t for 87,160 oz contained gold. The recovery used in the feasibility study is based on data from 613 cyanide leach tests that had been incorporated in the geological block model. Leach dissolution per block was top cut to 96% giving a slightly conservative recovery estimate of 88.1% and 76, 786 oz produced.

### **Environmental Permit Granted**

During the Quarter, the Company received official approval of its Environmental Impact Assessment (EIA) and the accompanying Environmental Permit for the proposed open pit and processing plant at Dunrobin.

A positive decision was made by the Zambia Environmental Management Agency (ZEMA) following extensive consultation with numerous stakeholders and is valid for a three year period in which project implementation must take place. This approval and issue of the Environmental Permit is the last major permit required ahead of project development.

The issue of this Environmental Permit followed an extensive consultative process and base line studies conducted over a number of years. The Environmental Impact Assessment for the Dunrobin gold project was conducted by African Mining Consultants Limited (AMC), which is a Zambian based environmental and mining engineering firm formed in 1994 as a result of an affiliation with Golders Associates. AMC has extensive experience in the region, in particular Zambia, and has conducted numerous environmental impact assessments, socio-economic impact assessments, and environmental management plans to national and international standards. (Refer announcement of 30 October 2013).

### **Licence Status**

The Company currently holds 2 large scale mining licenses, 8074-HQ-LML (32km<sup>2</sup>) granted in 2003 and 14948-HQ-LML (245km<sup>2</sup>) granted in 2012, covering a total area of 277km<sup>2</sup>. Both licenses have a 25 year renewable term and combined with the Environmental Permit give all necessary rights to commence mining.

The licence within which both the Dunrobin and Matala projects lie, 8074-HQ-LML, was cancelled in July 2010. Upon its reinstatement in September 2011 a key condition of the renewal agreement with the Zambian government was that Luir shall by 14 December 2013:

*“...be in a position to complete project implementation, secure the requisite statutory permits for its operations, have commenced construction of the mining operation and have secured the requisite financing to complete a fully operational Large Scale Mine in line with the development plan which shall be submitted to the Respondent [Ministry of Mines] within a reasonable period of time from the filing of this consent settlement order;...”*

The Company has met 2 of the 3 requirements of the consent settlement order that saw the reinstatement of 8074-HQ-LML in 2011. The development plan has been approved by Government and the Environmental Permit has been issued. The final requirement to secure the requisite financing is currently being addressed by the company on a number of fronts.

During the last 14 months the Company has been actively seeking debt funding for the project and continues to do so. A major South African financial institution is in the final stages of completing its due diligence following a technical site visit in May 2013. This institution also required the Company to commission the Coffey FS which has now been delivered to them.

In addition to this institution funding discussions continue with various other potential partners in Zambia and elsewhere to provide some, or all, of the debt/equity funding required for project implementation.

During 2013 the Company has regularly updated the Zambian government on its progress of satisfying the Mining Licence renewal conditions and received a positive response on each occasion.

## CORPORATE

The Company has continued its discussions with a number of different funding institutions aimed at providing a minimum of US\$10 million of debt funding for the Dunrobin project. These discussions are on-going and the Company remains hopeful of making a definitive announcement in this regard.

During the quarter the Company acquired a 4.5% interest in Scotgold Resources Limited (Scotgold) for AUD200,000. Scotgold has an advanced gold project in Scotland of similar size to Luir's Dunrobin project. Luir conducted due diligence on this project and its funding requirements to assess whether there may be some opportunity for Luir to participate in its development which would provide Luir with country risk diversification, or for Luir and Scotgold to work together to determine whether there may be funding packaging or other synergies that may benefit shareholders of both Luir and Scotgold.

After quarter end Luir determined that given the current market conditions it should not pursue a corporate transaction with Scotgold. After taking this decision the Company will now move to exercise its option to sell this entire position at no net cost to the Company.

Also during the quarter, for operational efficiencies the Company changed its year-end balance date from 31 October to 31 December effective immediately. The Company will now lodge its next annual report for the 14 month period ending 31 December 2013.

## 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 Multiple Indicator Kriging derived open pit 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				
<b>Matala Deposit</b>				
	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
<b>Dunrobin Deposit</b>				
	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
<b>Matala and Dunrobin Deposits Combined</b>				
	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 report 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 report 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 reported Ore Reserves have been compiled by Mr Harry Warries. Mr Warries is a Fellow of the Australasian 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 Luir Gold Limited consent to the inclusion, form and context of this reserve estimate in this report.

The technical exploration and mining information contained in this report 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 report of such information in the form and context in which it appears.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

LUIRI GOLD LIMITED

ACN

139 588 926

Quarter ended ("current quarter")

31 October 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(304)	(2,584)
1.3 Dividends received	(126)	(1,017)
1.4 Interest and other items of a similar nature received	3	45
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	10	10
<b>Net Operating Cash Flows</b>	<b>(417)</b>	<b>(3,549)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(200)	(200) (6)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(200)</b>	<b>(206)</b>
1.13 Total operating and investing cash flows (carried forward)	(617)	(3,755)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(617)	(3,755)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		1,958
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - capital raising costs		(200)
	<b>Net financing cash flows</b>		1,758
	<b>Net increase (decrease) in cash held</b>	(617)	(1,997)
1.20	Cash at beginning of quarter/year to date	1,063	2,450
1.21	Exchange rate adjustments to item 1.20	(8)	(15)
1.22	<b>Cash at end of quarter</b>	<b>438</b>	<b>438</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	60
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	150
4.2	Development	
4.3	Production	
4.4	Administration	100
<b>Total</b>		<b>250</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	238	43
5.2	Deposits at call	200	1,020
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)		438	1,063

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter				
7.3 <b>+Ordinary securities</b>	268,702,571	268,702,571		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	100,000	-	<i>Exercise price</i> AUD\$0.45	<i>Expiry date</i> 01/04/2015
	100,000	-	AUD\$0.60	01/04/2015
	100,000	-	AUD\$0.85	01/04/2015
	8,800,000	-	AUD\$0.17	30/06/2015
	12,000,000	-	AUD\$0.10	30/06/2015
	2,000,000	-	AUD\$0.08	30/06/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:   
Company Secretary

Date: 29 November 2013

Print name: Michael Langoulant

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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