

## QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2014

### Luirigold Limited

ASX Code: LGM

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

### Corporate Structure

Shares on issue	296.7m
Options	23.1m
52 week high	A\$0.025
52 week low	A\$0.005

### Company Directors

**Robert Brown**  
Non-Executive Chairman

**Evan Kirby**  
Technical Director

**Mike Langoulant**  
Executive Director

### HIGHLIGHTS OF THE QUARTER

#### Luirigold Hill Gold Project, Zambia<sup>1</sup>

- Project development is presently on hold pending a firm schedule for the supply of electrical power to site via the Zambian Electricity Supply Company (Zesco) power supply upgrade to the Mumbwa district. Zesco is progressing with the power supply upgrade.
- Comprehensive cost control measures are in place in Zambia and Australia to minimise expenditure whilst awaiting Zesco power supply upgrade progress.
- Negotiations with Bamboo Rock Ltd, a private South African mining contracting company, regarding the sale of the Luirigold Hill Gold Projects in Zambia are on-going.
- The Company is assisting Bamboo evaluate and compare various project development scenarios prior to completing a project sale/funding agreement.

#### Corporate

- During the quarter, the Company arranged a placement of 28 million shares at an issue price of \$0.005 to raise \$140,000.

For further information please contact:

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**Luirigold Limited (ASX:LGM)**, (“Luirigold” or the “Company”) a Zambia located gold exploration and development company, is pleased to announce its Quarterly Activities Report for the 3 months ended 31 March 2014.

## **LUIRI HILL GOLD PROJECT<sup>1</sup>**

### **Project Development**

Electric power supply has been discussed with the Zambia Electricity Supply Company (Zesco) and the Zambia Department of Mines and Energy. The Dunrobin exploration camp currently has a 100 kVA supply from the rural power network. The increased supply required for the Dunrobin project will depend on the upgrade to the electricity supply in the Mumbwa region planned for late 2014.

Diesel-generated power electrical power is prohibitively expensive for the Dunrobin project. This dictates a link between the delivery of suitable power and the project development schedule. This link has been formally recognised by the Zambia government. Luirigold is monitoring the situation and project development is presently on-hold pending clarity on the schedule for power availability.

In December 2013, the Company entered into a Heads of Agreement (HOA) (subject to due diligence) with Bamboo, for the sale of a 75% majority stake in the Company's subsidiaries that hold the Luirigold Hill Gold Projects in Zambia (“Sale”). The due-diligence period to complete this agreement was extended while various project development scenarios were being considered. At the time of this report the Company and Bamboo are re-negotiating this agreement and an announcement on this matter is expected in the near future.

The various project development scenarios the Company is working on with Bamboo has involved further study of the production possibilities at Matala where, a review of earlier pit optimisation studies by Coffey Mining indicated that at a gold price US\$1,200 per ounce, a Matala open pit mining development could supply about one million tonnes of ore at a grade of about 3.2 g/t for processing at Dunrobin. Early stage scoping studies have also considered the potential for underground mining at both Dunrobin and Matala.

Comprehensive cost control measures remain in place in Zambia and Australia to minimise expenditure whilst waiting for project implementation to resume.

### **Tenement Information**

<b>TENEMENT</b>	<b>PROJECT</b>	<b>LOCATION</b>	<b>OWNERSHIP</b>	<b>CHANGE IN QUARTER</b>
8074-HQ-LML	Luirigold Hills	Zambia	100%	Nil
14948-HQ-LML	Luirigold Hills	Zambia	100%	Nil

## **CORPORATE**

### **Placement**

During the quarter, the Company arranged a placement to professional and sophisticated investors of 28 million ordinary shares at an issue price of \$0.005 to raise \$140,000. This placement was completed on 4 April 2014 and was made in accordance with the Company's placement capacity under ASX Listing Rules 7.1.

In February 2014 as part of a further round of cost cutting measures Melissa Sturgess resigned as a director.

## 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 <sup>1</sup>				
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 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 2012 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 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 2012 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.*

<sup>1</sup> The information relating to past exploration results and reported resources at the Luir Hill Gold Project was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

# 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 March 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(225)	(225)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	(71)	(71)
<b>Net Operating Cash Flows</b>	<b>(296)</b>	<b>(296)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	62	62
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>62</b>	<b>62</b>
1.13 Total operating and investing cash flows (carried forward)	(234)	(234)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(234)	(234)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
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 - share issue pending	140	140
	<b>Net financing cash flows</b>	140	140
	<b>Net increase (decrease) in cash held</b>	(94)	(94)
1.20	Cash at beginning of quarter/year to date	228	228
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>134</b>	<b>134</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	40
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	40
4.2	Development	
4.3	Production	
4.4	Administration	30
<b>Total</b>		<b>70</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	35	200
5.2 Deposits at call	99	26
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	134	226

**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 April 2014

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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