

LUIRI HILL PROJECT SALE AGREEMENT

Luirigold Limited

ASX Code: LGM

www.luirigold.com

Corporate Structure

Shares on issue	296.7m
Options	23.1m
52 week high	A\$0.023
52 week low	A\$0.004

Company Directors

Rob Brown

Non-Executive Chairman

Evan Kirby

Technical Director

Mike Langoulant

Executive Director

Luirigold Limited (ASX:LGM), (“Luirigold” or the “Company”) advises that it has entered into a binding Sale Agreement with African based mining contractor Bamboo Rock Ltd (“Bamboo”), to sell its 100% ownership of the Company's Mauritian located subsidiaries that hold the Luiri Hill Gold Project in Zambia (“Sale”). The consideration for this Sale is approximately USD520,000 in Luiri Group liabilities that Bamboo will either pay or assume responsibility for.

LUIRI HILL GOLD PROJECT

The Company's Luiri Hill Gold Project currently consists of 2 large scale mining licenses, 8074-HQ-LML (32km²) granted in 2003 and 14948-HQ-LML (245km²) granted in 2012, covering a total area of 277km² (“Tenements”). The Tenements have a 25 year renewable term with all necessary rights to commence mining. An independent feasibility study centred on re-opening the Dunrobin open cut mine and building a processing facility at Dunrobin was completed in November 2013.

In December 2013 the Company entered into a Heads of Agreement (HOA) with Bamboo to sell 75% of the Mauritian holding companies with Luiri retaining a 25% contributing interest. Since then both Luiri and Bamboo have investigated various development alternatives and funding options.

Bamboo has recently entered into several contracts/term sheets to finance the purchase of mining equipment, the process plant construction and for development working capital to establish the Dunrobin gold mine and to commence production.

After considering the financial commitments attached to these contracts/term sheets Luiri has now formed the view that it would not be able to fund its share of development capital to maintain a meaningful interest in the Tenements in a way which would not be prohibitively dilutionary to existing shareholders. Accordingly Luiri has, subject to shareholder approval, negotiated a sale of its entire interest in the Mauritian holding companies. A notice of meeting will be issued forthwith.

Luirigold, with the support of its major shareholders, has commenced the process of seeking new projects for the Company to acquire following the completion of the Sale.

Consideration for the Sale

The consideration for the Sale is in the order of USD520,000 and includes Bamboo having agreed to:

- sole fund operations of Luiri's Zambian subsidiary, Luiri Gold Mines Limited (LGZ) from 9 May 2014 to Completion;
- assume responsibility for all existing Luiri Gold Mines current and non-current liabilities, including all employee holiday pay, long service leave and redundancy/termination obligations; and
- assume Luiri's obligation to fund the Shakumbila Trust (a trust established for the benefit of the local Zambian community) to the tune of USD150,000.

Conditions for the Sale

The conditions precedent to the Sale are:

- Luiri satisfying its outstanding obligation to issue 10 million ordinary shares to the Shakumbila Community Trust; and
- Luiri shareholder approval being received.

For further information please contact:

Luirigold

P: +61 8 6313 5155

F: +61 8 9324 2977

E: info@luirigold.com

W: www.luirigold.com