

Luir Hill Gold Project Exploration Update Significant Potential Resource Additions

Luir Gold Limited

ASX Code: LGM

www.luirigold.com

Corporate Structure

Shares on issue	127.43m
Options	10.1m
52 week high	A\$0.27
52 week low	A\$0.07

Cash (as at 31 Jan) A\$1.45m

Company Directors

Melissa Sturgess
Chairman

Evan Kirby
Director and Chief Executive Officer

Mike Langoulant
Executive Director

Robert Brown
Non-Executive Director

HIGHLIGHTS

- All assay results from RC holes drilled in 2010 and the 2011 trenching program received. All boreholes and trenches have been surveyed and included in the exploration database.
- Trenching at Tanduma and RC holes at Matala West and Eclipse has identified additional Matala style mineralisation. These results indicate very significant potential additions to the existing Matala resource.
- Trenching at Chosa and Shadreck has identified shallow high-grade gold bearing gossanous material similar to Dunrobin. In both cases, mineralisation is open on-strike towards and away from Dunrobin. This may indicate very significant north-easterly and south-easterly extensions to the resources already identified around the Dunrobin open pit.
- Follow up work is planned with the aim to establish additional resources based on these results.

Luir Gold CEO Dr Evan Kirby said "These promising discoveries are additional indicators of the potential of the Luir Hill Gold Project to grow substantially from the current resource of 758,000 ounces of gold. The results will be used to identify drilling targets aimed at increasing the resource during this season's exploration program. A tightly focussed drilling campaign is planned to commence as soon as ground conditions permit in the second quarter of 2012. This program should provide regular exploration updates for shareholders during the 2012 field season."

"As previously communicated to the market, Luir Gold's intention is to take a two-pronged approach to project development; a fast track project to give early production, in parallel with exploration aimed at increasing the resource to over one million ounces. The extensions to known mineralisation covered in this announcement bode well for long-term growth of the resource. At the same time, the high-grade shallow mineralisation discovered at Shadreck and Chosa could provide added impetus to a fast track development decision."

Drilling and Trenching Summary

Sample material recovered from the Company's 2010 RC drill program was despatched for assay during 2011 as a gesture of good faith to assist the new management's negotiations to resolve the Company's mining licence tenure issues. All outstanding assays results have now been received from samples obtained from a trenching program that commenced in the second half of 2011.

Luirigold is pleased to announce assay results from 34 RC holes and 28 trenches undertaken at its Luirigold Hill Gold Project. The results cover some 5 targets namely Matala West (15 RC holes), Eclipse (19 RC holes), Chosa (7 trenches), Tanduma (10 trenches), and Shadreck (11 trenches). All of the drill holes and trenches have recently been fully surveyed and the results included in the Company's exploration database.

RC drilling assays from Matala West and Eclipse indicate that gold mineralisation is present in two discrete structures to the west of the resources already identified in the Matala deposit. Trenching at Tanduma has identified gold bearing structures to the east of, and similar in terms of geological setting, structure and mineralogy to, those at Matala.

Trenching at Chosa has identified high grade gold bearing gossan striking back towards Dunrobin. This possibly represents a north easterly extension to resources already identified in and around the open pit. Trenching at Shadreck has exposed gossanous material similar to the gold bearing gossans at Chosa and Dunrobin. This may represent a further south easterly extension of the resources already identified around the Dunrobin open pit.

The drilling and trenching at the Matala West, Eclipse and Tanduma prospects clearly demonstrates the potential for very significant additions to the Matala style shear hosted mineralisation. Management believes that these prospects could represent several kilometres of additional strike length.

Similarly, the trenching at Chosa and Shadreck opens up the exciting possibility of extensions of the Dunrobin mineralisation. These extensions could stretch from Dunrobin to both the south-east and north-east, proximal to the basement contact and following the flanks and nose of the western part of the Matala Dome for a total distance of circa 3.5km. At present both Chosa and Shadreck also remain open to the north-east and south-east respectively (away from Dunrobin).

The drilling and trenching was a widely spaced scouting program. Not all of the boreholes or trenches intersected gold values. However, the success ratio was considered highly satisfactory.

Matala West RC Drilling

15 RC holes at Matala West were drilled during 2010, for a total of 1,866m, with the objective of identifying a discrete gold bearing structure 1,300m to the west of the Matala Mine. The programme covered about 1,000m of strike and, of the 15 holes drilled, 5 were successful in intersecting gold mineralisation above 1.0 g/t.

Highlights from the drilling program at Matala West are given below and confirm the presence of gold mineralisation to the west of resources already identified at the Matala Mine.

Matala West RC Drilling			
All intersections above 1.0 g/t			
Drill Hole ID	From	W (dth)	Au (g/t)
MTLWRC20	42.00	5.00	1.11
MTLWRC21	41.00	6.00	1.06
<i>Includes</i>	<i>44.00</i>	<i>3.00</i>	<i>1.86</i>
MTLWRC25	77.00	5.00	2.75
<i>Includes</i>	<i>77.00</i>	<i>2.00</i>	<i>6.53</i>
MTWRC031	119.00	5.00	1.74
<i>Includes</i>	<i>119.00</i>	<i>1.00</i>	<i>8.07</i>
MTWRC033	112.00	1.00	1.50

Eclipse RC Drilling

19 RC holes at Eclipse were drilled during 2010, for a total of 2,036m to confirm gold mineralisation some 3,000m to the west of the Matala deposit. The program covered circa 600m strike extent and of the 19 holes drilled, 5 holes contain intercepts with gold grades greater than 1.00 g/t.

Highlights from the drilling program at Eclipse are given below and confirm the presence of gold mineralisation to the west of resources identified at the Matala Mine.

Eclipse RC Drilling			
All intersections above 1.00 g/t Au			
Drill Hole ID	From	W (dth)	Au (g/t)
ECRC017	2.00	2.00	5.98
<i>Includes</i>	<i>2.00</i>	<i>1.00</i>	<i>9.50</i>
ECRC020	68.00	2.00	3.46
<i>Includes</i>	<i>68.00</i>	<i>1.00</i>	<i>4.27</i>
ECRC023	0.00	1.00	1.33
ECRC027	129.00	1.00	2.71
ECRC030	41.00	1.00	1.35

Tanduma Trenching

A total of 10 new and historical trenches were excavated during 2011 on the Matala Dome, approximately 1,800m to the east, north-east of the Matala Mine. The trenching successfully located, at surface, what appears to be an eastern extension to the Matala deposit and confirming the presence of a northern displacement to that mineralisation. A total of 181 samples were sent for assay. Gold values were associated with quartz- tourmaline filled fissures and stockworks within the basement schist. This is typical of the structures which host resource grade mineralisation at Matala. Additional trenching is planned which will further assist in the orientation of future drill holes.

Three of the ten trenches intersected gold values over 1.00 g/t as tabulated below.

Tanduma Trenching 2011			
All intervals over 0.5 g/t			
Location	From (m)	Width (m)	Au (g/t)
TANTR01	7.00	1.00	1.43
TANTR04	4.20	1.10	2.04
TANTR07	6.00	1.00	1.48
TANTR07	12.30	1.70	0.96

In addition to the samples acquired from trenching, rock chip samples of float material have also returned high gold assays of up to 6.95 g/t with 6 samples giving results of >2 g/t.

Chosa Trenching

Chosa is located some 800m to the north, north-east of the Dunrobin open pit and occupies a similar stratigraphic setting, comprising Katanga carbonates overlying basement schist. A total of 7 new and historic trenches were excavated in 2011, some back towards Dunrobin, providing 195 samples which have been assayed by the SGS laboratory in Kalulushi. These trenches, along with previous trench work, have confirmed gold mineralised gossan over a strike length of about 700m giving a potential total strike extension to Dunrobin of circa 1,500m. The gossan appears to be striking back towards Dunrobin open pit but deepening alluvial cover means drilling will be required to prove a postulated extension. The gossan remains open to the north-east, away from Dunrobin.

Highlights from the latest trenching, and sampling are given below and clearly identify this as a viable target for follow-up drilling.

Chosa Trenching 2011			
All Intersections over 1.00 g/t Au			
Location	From (m)	Width (m)	Au (g/t)
CHTR12R	20.00	3.00	3.43
<i>includes</i>	<i>21.00</i>	<i>1.00</i>	<i>8.45</i>
CHTR13R	30.00	3.00	2.28
CHTR13R	38.00	3.70	1.46
CHTR13R	56.00	6.00	1.33
CHTR13R	64.80	3.20	0.98
CHTR13R	71.00	2.40	2.54
<i>includes</i>	<i>71.00</i>	<i>1.00</i>	<i>4.52</i>
CHTR13R	82.00	1.00	5.25
CHTR13R	86.00	11.00	9.25
<i>includes</i>	<i>94.00</i>	<i>1.00</i>	<i>9.35</i>
<i>includes</i>	<i>95.00</i>	<i>1.00</i>	<i>82.10</i>
CHTR20	0.00	3.00	1.67
CHTR20	7.00	3.00	2.14
CHTR20	11.00	6.00	1.18
CHTR37	15.00	1.00	1.01

Shadreck Trenching

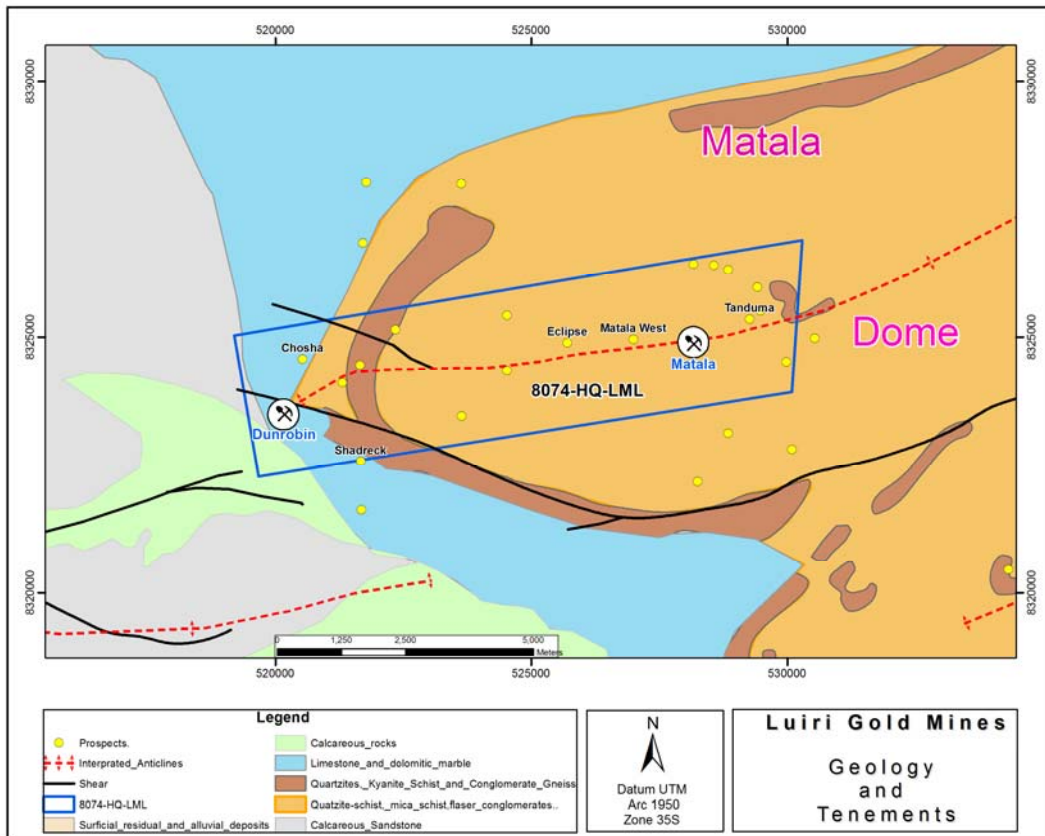
In 2011, a total of 11 new and historical trenches have been excavated providing 343 samples which were analysed in the SGS laboratory, for which assays are presented in the Table below. The area investigated is approximately 1,500m to the south-east of Dunrobin, possibly represents an extension of that orebody and, occupies a similar stratigraphic setting to that of Chosa and the open pit. Visual inspection of the trenches shows the contact between the basement schist and the overlying Katanga carbonates. Significant widths of gold bearing gossanous material very similar in appearance to those mineralised gossans intersected in Dunrobin and at Chosa were also identified.

These trenches have confirmed the gossan material extends over a strike length of approximately 500m giving a total potential south easterly strike extension to Dunrobin of circa 2,000m. The very encouraging assay results returned from the 2011 trenching identifies Shadreck as a priority target for future exploration drilling.

Shadreck Trenching 2011 Intersections over 1.00 g/t Au			
Location	From (m)	Width (m)	Au (g/t)
SHTR01	14.00	10.00	2.34
<i>includes</i>	<i>17.00</i>	<i>2.00</i>	<i>4.95</i>
<i>includes</i>	<i>22.00</i>	<i>1.00</i>	<i>3.32</i>
SHTR01R	22.00	7.00	2.29
<i>includes</i>	<i>25.00</i>	<i>1.00</i>	<i>4.24</i>
<i>includes</i>	<i>27.00</i>	<i>1.00</i>	<i>8.96</i>
SHTR01	44.00	9.00	1.67
<i>includes</i>	<i>45.00</i>	<i>1.00</i>	<i>5.89</i>
<i>includes</i>	<i>47.00</i>	<i>1.00</i>	<i>4.78</i>
SHTR02R	10.00	2.00	0.98
SHTR03	1.00	11.00	3.46
<i>includes</i>	<i>1.50</i>	<i>0.50</i>	<i>5.55</i>
<i>includes</i>	<i>8.50</i>	<i>2.50</i>	<i>12.13</i>
SHTR05	30.00	2.00	2.56
SHTR06	13.00	1.00	1.07
SHTR06	17.00	3.00	1.35
SHTR08	2.00	6.00	10.76
<i>includes</i>	<i>3.00</i>	<i>1.00</i>	<i>7.33</i>
<i>includes</i>	<i>4.00</i>	<i>1.00</i>	<i>17.00</i>
<i>includes</i>	<i>5.00</i>	<i>1.00</i>	<i>18.10</i>
<i>includes</i>	<i>6.00</i>	<i>1.00</i>	<i>5.51</i>
<i>includes</i>	<i>7.00</i>	<i>1.00</i>	<i>15.90</i>
SHTR08	14.00	5.00	4.79
<i>includes</i>	<i>14.00</i>	<i>2.00</i>	<i>8.84</i>
SHTR09	4.00	6.00	5.06
<i>includes</i>	<i>4.00</i>	<i>2.00</i>	<i>10.97</i>
<i>includes</i>	<i>6.00</i>	<i>2.00</i>	<i>2.85</i>
SHTR10	9.00	1.00	18.90
SHTR11	15.00	15.00	2.67
<i>includes</i>	<i>20.00</i>	<i>1.00</i>	<i>20.10</i>
<i>includes</i>	<i>24.00</i>	<i>1.00</i>	<i>5.23</i>
<i>includes</i>	<i>29.00</i>	<i>1.00</i>	<i>3.48</i>

Chosa and Shadreck Summary

The trenching at Chosa and Shadreck opens up the exciting possibility of an extension of the Dunrobin mineralisation to both the south-east and north-east, proximal to the basement contact following the flanks and nose of the western part of the Matala Dome for a total distance of circa 3.5km. At present both Chosa and Shadreck remain open to the north-east and south-east.



On behalf of the Board of Directors of the Company,
"Evan Kirby"
Director and CEO

For further information please contact:

Luirigold

P: +61 8 6313 5155
F: +61 8 9324 2977
E: info@luirigold.com
W: www.luirigold.com

Media and Investor Inquiries:
Greg Galton / Karen Oswald
Purple Communications
Tel: +61 8 6314 6300
GGalton@purplecom.com.au

Canadian Share Registry – Computershare Investor Services

P: +1-800-564-6253
F: +1-604-661-9401
E: service@computershare.com

Australian Share Registry – Computershare Investor Services

P: +61 3 9415 5000
F: +61 3 9473 2500
E: web.queries@computershare.com.au

Competent Person

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 Luirigold 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 a contractor to Luirigold 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.