

## FAST TRACK DEVELOPMENT & EXPLORATION UPDATE

### Luirigold Limited

ASX Code: LGM

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

### Corporate Structure

Shares on issue	195.73m
Options	22.1m
52 week high	A\$0.20
52 week low	A\$0.057

Cash (as at 30 April) A\$5.49m

### Company Directors

**Melissa Sturgess**  
Executive Chair

**Evan Kirby**  
Director and Chief Executive Officer

**Mike Langoulant**  
Executive Director

**Robert Brown**  
Non-Executive Director

### HIGHLIGHTS

- Positive result on Scoping Study for fast track development at Dunrobin;
- Dunrobin Feasibility Study now underway: Phase One of the infill RC Drilling Program commenced on 7 June 2012;
- Matala Scoping Study commenced;
- Phase Two Exploration progressing with two trenching teams active; flying permit received and aerial survey about to commence.

Luirigold CEO, Dr Evan Kirby said, *"The team at Luirigold have been very active since the end of the rainy season in March. This hard work is now starting to pay dividends with the positive outcome of the Dunrobin Scoping Study. We look forward to reporting regular updates on the Feasibility Study as they come to hand."*

*"This is important to Luirigold as the Dunrobin fast track project could be sufficiently cash positive to finance an ongoing exploration and study program to unlock the full potential of the Luirigold Hill Gold Project."*

*"In addition, we hope to show some exciting results on phases two and three of our 2012 exploration campaign, which is aimed at growing the overall resource."*

On behalf of the Board of Directors of the Company,

"Evan Kirby"

Director and CEO

## DUNROBIN

### Scoping Study Results

A scoping study completed in June 2012 has indicated that the Dunrobin Gold Project is economically viable. The investment evaluation was done at a gold price of US\$ 1500 per troy ounce. The study was based on the existing 13,313 meters drilled and a resource estimate (indicated plus inferred) by Coffey Mining (Perth), of 2.862 million tons @ 2.064 g/t for 190,000 in situ gold ounces.

The pit design and scheduling by Coffey Mining Johannesburg shows that a total of 890,000 tons at a gold grade of 2.38 g/t (for 68 koz) can be mined over the initial 8 years by extending the existing open pit. This included allowances for a 5% mining loss as well as 5% dilution, over an initial 8 year project life.

Using 95% gold recovery (as indicated by existing testwork on oxide ore), gold production will average 8,723 oz per year. Capital and operating costs for the plant were estimated by Consulmet Metals Pty Ltd and Feza Pty Ltd, both of South Africa. Financial modelling by Feza indicates that the Dunrobin Project will yield an attractive IRR.

### Feasibility Study

The scoping study at Dunrobin is now being upgraded to a feasibility study with the following additional work:

- “Phase One Exploration Drilling” consisting of an additional 2500 metres of RC drilling to upgrade a portion of the resource to “measured” status. Geohydro Consulting Services Limited have commenced this program using a new RC rig and a skilled operating team that are contributing to excellent progress with completion of this drilling program expected in July 2012.
- Samples from drilling are being fed into a comprehensive analytical program; all drill samples are being sent for fire assay for gold, and all samples over 0.5 g/t gold go for additional analytical work to determine cyanide soluble gold, as well as acid soluble, cyanide soluble and total copper. Analytical results will provide geo-metallurgical information for accurate production scheduling.
- Geotechnical drilling to support definitive design of open pit mining.
- Metallurgical testwork to confirm process design details and allow accurate estimation of reagent consumptions and metals recoveries.
- Formal enquiries to obtain capital and operating cost for owner mining.
- Survey and geotechnical work on the areas designated for the process plant and tailings storage facility.
- Process plant equipment selection and design completion.
- Implementation planning for “Fast Track” project development

Once the Dunrobin Feasibility Study is complete, it will be subject to independent review in support of an investment decision.

## **MATALA**

At Matala, a scoping study is in progress to compare underground and open pit mining and to establish workable project development parameters. This study is currently based on the existing 27,526 meters drilled and a resource estimate by Coffey Mining (Perth), of 7.729 million tons @ 2.286 g/t for 568,000 in situ gold ounces.

Mine scheduling based on typical sub level open stoping mining methods supports a production rate of about 30,000 oz per year. Open pit mining at similar production rates has also been considered.

The scoping study will provide the following outcomes:

- Indicate whether a financially viable development is possible with the existing resource or whether further resource drilling is required,
- Recommend the scale of operations,
- Establish whether underground or open pit mining is most appropriate, and
- Provide the development parameters for a future feasibility study.

## **EXPLORATION PROGRESS**

Phases Two and Three of the 2012 exploration campaign are aimed at growing the overall gold resource:

- Phase Two will focus on extensions to known resources. This will aim to increase the overall resource inventory from extensions to the Dunrobin ore body plus to establish new resources at Chosa, Shadreck, Eclipse and Matala West where previous drilling has intersected gold values but was insufficient for resource estimation.
- Phase Three will target discovery drilling from new targets identified from the upcoming aerial survey and additional trenching results.

Targeting of new drilling will be based on information from soil sampling, trenching programs, existing drilling and the planned aerial survey. Geological and mining software is being used to visualise exploration data and plan new drilling.

Two trenching teams have been active in the field since the end of the rainy season in March. These teams have also cleared drill platforms and have cut survey lines through dense bush.

Fugro Airborne Surveys has been contracted to undertake a low altitude airborne high resolution magnetic and radiometric survey across the entire exploration area. Owing to the proximity of the project to Zambia's main air force base, the Company experienced some permitting delays, however the final approvals have now been received and flying is expected to be completed before the end of July.

### **Project Development and Exploration**

The Company believes the project area has the potential to host over a million ounces to justify constructing a substantial mining and processing operation. Results from the recent Scoping Study support the Company's belief that an initial small, economically robust project could be brought on line at Dunrobin on a fast track basis. Such a project could be sufficiently cash positive to finance an ongoing exploration and study program to unlock the full potential of the Luir Hill Gold Project.

Photos of current drilling at Dunrobin can be found on the Company website at [www.luirigold.com](http://www.luirigold.com).

For further information please contact:

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## 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 (indicated plus inferred) resource of 10.591 million tonnes at 2.2 g/t Au, for 758,000 ounces of gold, at a cut-off of 1.0 g/t. Refer to the below table.

Luir Hill Gold Project Summarized Resource Estimate 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)
Indicated	1.0	1,851	2.3	134
Inferred	1.0	1,011	1.7	56
Matala and Dunrobin Deposits Combined				
	Lower Cut-Off Grade (g/t Au)	Tonnes (000's)	Average Grade (g/t Au)	Ounces (000's)
Indicated	1.0	5,055	2.5	412
Inferred	1.0	5,536	1.9	346

### Competent Person

*The information in this report that relates to Mineral Resources is based on information compiled by Mr Brian Wolfe, B.Sc Hons (Geol), MAIG an employee of Coffey Mining Limited. Mr Wolfe has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity 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 Wolfe consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*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 a contractor to 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.*