

## NEW MINING LICENSE & EXPLORATION UPDATE

### Luirigold Limited

ASX Code: LGM

www.luirigold.com

### Corporate Structure

Shares on issue	145.73m
Options	10.1m
52 week high	A\$0.27
52 week low	A\$0.068

Cash (as at 31 Jan) A\$1.55m

### Company Directors

**Melissa Sturgess**  
Executive Chair

**Evan Kirby**  
Director and Chief Executive Officer

**Mike Langouant**  
Executive Director

**Robert Brown**  
Non-Executive Director

### HIGHLIGHTS

- A new Large Scale Mining Licence has been issued, substantially increasing the company's total tenure from 31.39 to 277 square kilometres;
- The 2012 exploration campaign has commenced, with the wet season coming to an end.;
- High-resolution magnetic and radiometric survey to commence in April 2012, subject to obtaining the necessary flying permits;
- A minimum of 10,000 metres of RC drilling contracted to commence in May 2012.

Luirigold CEO, Dr Evan Kirby said, *"The issue of the new large scale mining license is a clear demonstration that the Government of the Republic of Zambia supports investment in projects which have potential to generate wealth for the country. The new license gives mining rights over a significant area covering the eastern extent of the Matala Dome, which is under explored and highly prospective for gold mineralisation."*

*"We are very excited that the 2012 exploration program has commenced and anticipate being able to report regular exciting exploration results."*

On behalf of the Board of Directors of the Company,

"Evan Kirby"

Director and CEO

## **New Mining License**

The Company has been issued a new large-scale mining license, 14948 HQ-LML, giving renewable mining rights across an additional 245.7 square kilometres for a period of 25 years. As shown in Figure One, the new license area lies to the east of the Company's existing mining license and covers the eastern extent of the Matala Dome. The new mining license area is under-explored and has the potential to host both Dunrobin and Matala style gold deposits.

Agip Miniere investigated this area in 1988 with a brief fieldwork campaign including geological mapping, soil and rock sampling, geophysics and diamond drilling. Rock chip and soil sampling identified several geochemical anomalies, however the area remains largely unexplored in terms of drilling. Most of the Agip data appears to have been lost in the course of time.

It is anticipated that the forthcoming airborne survey will provide a very detailed view of the structural and lithostratigraphic controls in this area. A follow up targeted and closely spaced soil geochemical sampling program later this year should provide significant and previously unidentified targets for drilling.

The new license was issued on the first day of business of the Cadastre Department since the Government of the Republic of Zambia suspended the issue of new mining licenses in October 2011.

Luirigold currently has one other mining license application lodged and awaiting a response. This application is to extend the existing 31.39 square kilometre large-scale mining license over the Dunrobin and Matala area (license reference 8074-HQ-LML). The Company is hopeful that the application will be successful in due course.

## **Exploration Work Commencing**

Now that the wet season is coming to an end, the 2012 exploration campaign has commenced.

Two trenching teams have been recruited and are already active in the field.

Fugro Airborne Surveys has been contracted to undertake a low altitude airborne high resolution magnetic and radiometric survey across an area of approximately 400 square kilometres. This area covers the existing mining license (8074-HQ-LML) and the applied for extension thereto, along with the newly issued mining license (14948-HQ-LML). Fugro and the company are currently seeking relevant permissions to fly the survey from the Zambian authorities.

An order has also been placed with Geohydro Consulting Services Limited for a minimum of 10,000 metres of RC drilling. This work will commence in May 2012 and will continue for several months with the following goals.

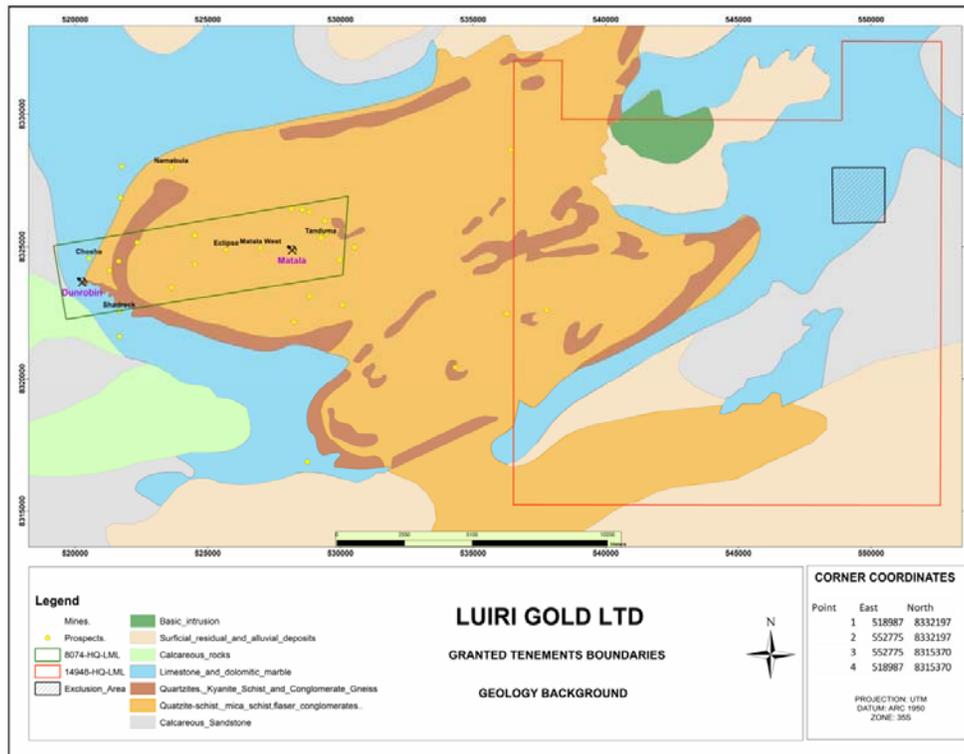
- Phase One will be a program of feasibility study drilling to upgrade the resources at Dunrobin to include a measured component.
- Phase Two will comprise a drilling program to increase the overall resource inventory at known gold occurrences. These include Chosa, Shadreck, Eclipse and Matala West as well as extensions to the Matala and Dunrobin ore bodies.

### Project Development and Exploration

The Company believes existing resource has the potential to grow to over a million ounces to justify constructing a substantial mining and processing operation. The Company believes that an initial small, economically robust project could be brought on line 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 Luri Hill Gold Project.

The Company has initiated scoping level studies covering development proposals and Phase One feasibility study drilling results will be used in pit optimisation and financial modelling. An update on these studies will be covered in a future announcement.

Figure One



For further information please contact:

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