

Quarterly Report to 30 April 2012

Luirigold Limited

ASX Code: LGM

www.luirigold.com

Corporate Structure

Shares on issue	197.43m
Options	21.1m
52 week high	A\$0.27
52 week low	A\$0.068

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 OF THE QUARTER

Luirigold Hill Gold Project, Zambia

- A new Large Scale Mining License was issued, substantially increasing the Company's total tenure from 32 to 277 square kilometres and giving renewable mining rights for a period of 25 years ;
- Geological exploration is in progress with two trenching teams currently active in the field;
- A high resolution airborne magnetic and radiometric survey to commence in the July quarter once the necessary flying permit is issued;
- RC drilling to establish the first measured resources at Dunrobin will commence upon receipt of the required environmental permit;
- Drill collars locations recommended by Coffey Mining have been surveyed and prepared;
- Scoping studies, including pit modelling at Dunrobin and underground mine planning at Matala, are progressing well;
- Results of the scoping study, including a fast track project at Dunrobin, are expected in the coming quarter.

Corporate

- \$5.25 million capital raising completed on 8 March 2012.
- Cash on hand at end of Quarter: A\$5.49 million.

Luirigold Limited (ASX:LGM), (“Luirigold” or the “Company”) a gold exploration and development company, is pleased to announce its Quarterly Activities Report for the 3 months ended 30 April 2012.

LUIRI HILL GOLD PROJECT

New Mining License

The Company was 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. Whilst the Agip drilling data appears to have been lost in the course of time, the Company has found some of the mapping and sampling data. A 1992 geological map with soil and rock sampling results has been digitised and geo-referenced. Anomalies highlighted on this map will be correlated with results from the planned airborne survey and used as a guide for further exploration.

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 32 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.

Airborne Survey

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

Due to the close proximity of the exploration area to Mumbwa Zambian Air Force (ZAF) Base, consultation with both ZAF and the Zambian Department of Civil Aviation has been necessary. Approval to undertake this survey is expected to be received in the July quarter.

Exploration Drilling

Geohydro Consulting Services Limited has been contracted to undertake a minimum of 10,000 metres of RC drilling. This work will commence as soon as a new drilling permit has been issued by ZEMA, the Zambian Environmental Management Authority. An RC rig has been mobilised to site and is being prepared for drilling commencement.

This drilling work will be conducted in two phases with the following objectives:

- 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.

Coffey Mining have recommended drill collar locations for the Phase One work. These locations have been surveyed and drilling pads have been cleared using local labour in preparation for the start of drilling.

The need for a new drilling permit from ZEMA, to cover exploration drilling activities was unexpected. An Environmental Management Plan for the drilling had been prepared and submitted to the Zambian Department of Mines and Minerals Development. After submission, the Company was made aware that a more rigorous application of existing regulations would now require approval of an Environmental Project Brief (EPB) from ZEMA before drilling could commence. ZEMA inspectors have since visited the exploration site and, at the time of writing, the permit application is receiving their urgent attention.

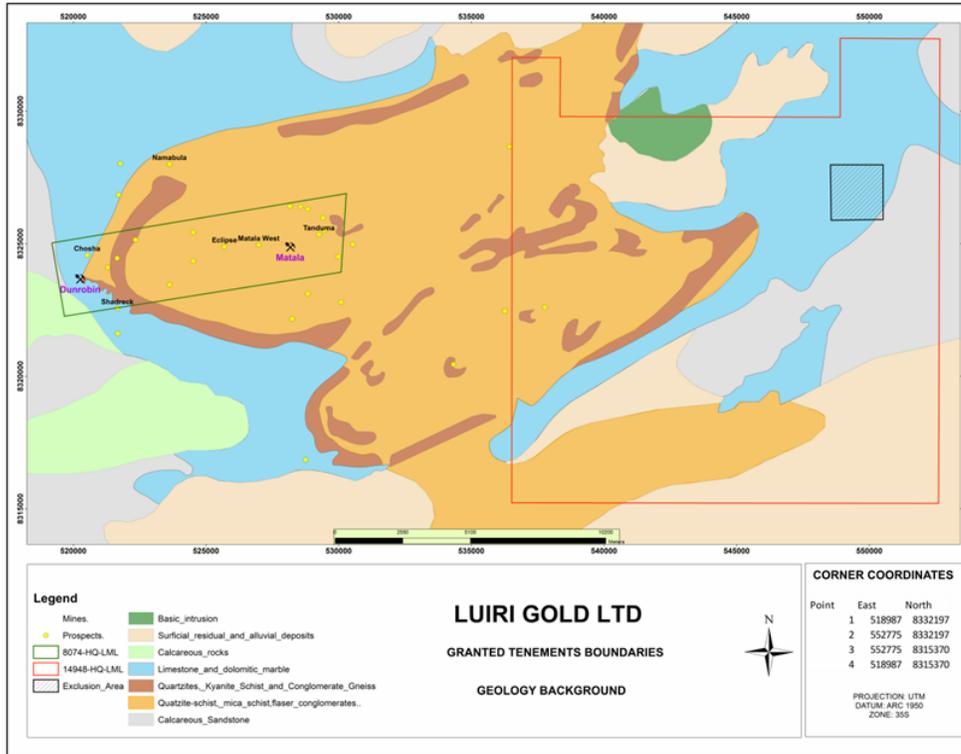
Feasibility Studies

The Company believes the existing known mineralisation occurrences have the potential to grow the resource to over a million ounces, justifying the construction of a substantial mining and processing operation. The Company believes 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.

The Company is completing scoping level studies covering development alternatives. The scoping level mining studies are based on existing drilling results for Dunrobin and Matala.

An update on these studies will be covered in future announcements.

Figure One – Location of the Mining License areas



CORPORATE ACTIVITY

During the quarter the Company completed a private placement of 70,000,000 common shares (traded as CDIs on the ASX) at an issue price of \$0.075 to raise \$5.25 million (before expenses). Cash on hand at the quarter end was \$5.49 million.

On behalf of the Board of Directors of the Company,

"Evan Kirby"
 Director and CEO

For further information please contact:

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About Luirigold Ltd

Luirigold 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.

Luirigold 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 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.

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

Luri Gold Limited

ACN

139 588 926

Quarter ended ("current quarter")

30 April 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(779)	(1,311)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	18	49
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(947)	(1,737)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	(330)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	(20)	(79)
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(20)	(409)
1.13 Total operating and investing cash flows (carried forward)	(967)	(2,146)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(967)	(2,146)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,250	5,250
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 - capital raising costs	(340)	(340)
	Net financing cash flows	4,910	4,910
	Net increase (decrease) in cash held	3,943	2,764
1.20	Cash at beginning of quarter/year to date	1,545	2,727
1.21	Exchange rate adjustments to item 1.20	(2)	(5)
1.22	Cash at end of quarter	5,486	5,486

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	132
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

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

+ See chapter 19 for defined terms.

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		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	700

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	1,678	251
5.2 Deposits at call	3,808	1,294
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5,486	1,545

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	14948 HQ-LML Granted mining licence	0%	100%

+ 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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital				
7.3 +Ordinary securities	197,431,905	197,431,905		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	70,000,000	70,000,000	\$0.075	Fully paid
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>	1,000,000 100,000 100,000 100,000 8,800,000 12,000,000		<i>Exercise price</i> AUD\$0.20 AUD\$0.45 AUD\$0.60 AUD\$0.85 AUD\$0.17 AUD\$0.10	<i>Expiry date</i> 13/05/2012 01/04/2015 01/04/2015 01/04/2015 30/06/2015 30/06/2015
7.8 Issued during quarter	12,000,000		AUD\$0.10	30/06/2015
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 give a true and fair view of the matters disclosed.

Sign here:Date: 31 May 2012.....
Director



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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