

EXPLORATION TARGET AND GENERAL UPDATE

Luirigold Limited

ASX Code: LGM

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

- Confirmation of the Exploration Target for the 2012 drill program to grow overall resource inventory to over one million ounces of gold;
- Phase One feasibility drilling consists of 3,000 metres of RC drilling to upgrade a portion of the existing Dunrobin resource to Measured Resource status;
- Phase Two resource drilling, of circa 5,000 metres, will focus on growing the overall resource inventory from near-surface extensions to known resources and the establishment of new resources ;
- Phase Three discovery drilling aims to delineate new targets from anomalies highlighted by the aerial survey, geochemical soil sampling and trenching results;
- Fugro Airborne Surveys has commenced a low altitude airborne high resolution magnetic and radiometric survey across the entire exploration area;
- Phase One drilling underway and making excellent progress;
- Mains electrical power provided to the community clinic.

Luirigold CEO, Dr Evan Kirby said, *"We are pleased to confirm the Exploration Target of at least one million ounces of gold for the Luirigold Hill Gold Project. Good progress is being made with the Company's exploration programme while additional work is being done on the fast track development of Dunrobin."*

"Meanwhile, Luirigold is pleased to continue its corporate social responsibility programme. The provision of 24 hour mains power to the community clinic will have significant benefits for the local community."

On behalf of the Board of Directors of the Company,

"Evan Kirby"

Director and CEO

LUIRI HILL GOLD PROJECT

Exploration Target

Further to the announcement of 2nd February, Luirigold has confirmed an exploration target (for the 2012 drill program) of growing its overall resource inventory from the current JORC compliant estimate of 758,000 ounces to over one million ounces of gold. This exploration target should not be viewed as an estimate of Mineral Resources or Ore Reserves. However, it is based on experience with the exploration work for the current JORC compliant estimate of 758,000 ounces and knowledge being gained from the current exploration program.

Luirigold acknowledges that there has been insufficient exploration to define additional Mineral Resources, and that it is uncertain if further exploration will result in the determination of any additional Mineral Resource. The achievement of this new exploration target requires the identification of additional inventory of at least 242,000 ounces, e.g. between 3.2 million tons at a grade of 2.5 g/t or 4.2 million tons at a grade of 1.9 g/t gold. These potential quantities and grades are conceptual in nature but are supported by consideration of the planned drilling program in the context of results obtained to date.



Phase One Drilling in the Dunrobin Open Pit, June 2012

The current exploration program is aimed at growing the resource from both Dunrobin and Matala style mineralisation. Dunrobin style mineralisation occurs around the edge of the

Matala Dome in the vicinity of the junction between the quartz schist basement rocks of the dome and the carbonaceous (dolomitic) rocks around the dome. The dip of Dunrobin mineralisation is variable but commonly around 30 degrees. Matala style deposits occur in shear zones in the basement rocks of the dome and are typically sub-vertical. Outline details of the current exploration work program and how these details relate to the exploration target are as follows:

Phase One feasibility drilling consists of an additional 3,000 metres of RC drilling to upgrade a portion of the existing Dunrobin resource to Measured Resource status. Geohydro Consulting Services Limited is making excellent progress and completion of this drilling program is expected shortly. Phase One is not expected to materially increase the overall Mineral Resource.



Phase One Drilling at Dunrobin, June 2012

Phase Two of the 2012 exploration campaign will comprise an additional 5,000 metres of RC drilling. This Phase is aimed at growing the overall Mineral Resource to achieve the Exploration Target:

Phase-Two resource drilling will focus on:

- near surface extensions to known and stated resources at Dunrobin,
- four stand-alone areas which have been trenched and drilled previously but with hole spacing insufficiently close to allow resource estimates to be made.

For Dunrobin style mineralisation, this program will aim to increase the overall resource inventory from extensions to the Dunrobin ore body, which is open on strike. It will also aim to establish stand-alone resources at Chosa and Shadreck where trenching and drilling have intersected interesting values (as announced on 2 February 2012) but where the information was insufficient for resource estimation. Gold grades obtained in drilling & trenching have been scattered but generally support average grades similar to current resources, i.e. similar to 2.5 g/t (current indicated resource) and 1.9 g/t (current inferred resource).

The drilling will also give more information on the possibility of continuous mineralisation along a 4.5 km strike length between Chosa which is to the North-West and Shadreck which is to the South East of the Dunrobin pit.

For Matala Style mineralisation, the Phase Two Program will aim to establish stand-alone resources at Eclipse and Matala West. As reported on 2 February 2012 drilling and trenching on these prospects intersected gold values but the results were insufficient to declare a resource. These areas are thought to represent en-echelon faulting related to but not connected with the Matala orebody. Targeting of new drilling will be based on information from previous drilling, trenching programs, soil sampling, and the aerial geophysical survey. Gold grades obtained in drilling & trenching have been scattered but generally support average grades similar to current Matala resources, i.e. similar to 2.7 g/t (current indicated resource) and 2.0 g/t (current inferred resource).

Careful consideration of the following factors supports the exploration target of additional resource inventory to take the overall total to over one million ounces:

- the number and spacing of drill holes planned for each area,
- the likely strike and depth extent covered in each area, and
- the likely mineralisation widths to be encountered and average resource grades to be established for each area.

Both the Dunrobin and Matala resources are known to be open down dip. However, deep drilling to prove down dip extensions to these resources is not part of the Phase-Two program.

Phase Three discovery drilling aims to identify new targets from follow up of the aerial survey, geochemical soil sampling and trenching results. Gold anomalies discovered by previous geochemical and rock chip sampling are being investigated by trenching. Historical mining activities and possible extensions to old workings will also be considered. Geological and mining software is being used to visualise all available data and plan the Phase Three drilling program. There will be no immediate addition to the resource inventory from this phase of drilling. However, it could give further indication of the “blue sky” potential of the mining license area.

Aerial Survey

Fugro Airborne Surveys has commenced a low altitude airborne high resolution magnetic and radiometric survey across the entire exploration area. This is the first time that the area has been subject to a high-resolution survey using modern technology. It would not be unusual for such a survey to produce very interesting results that reveal hitherto unknown information regarding the geology of the area. It is highly likely that this survey will significantly increase the company's understanding of/and provide detailed information about the lithostratigraphic and structural controls on gold mineralisation in the area.

Development Studies

As noted, the Company has an exploration target for the project area of over a million ounces from the current field season drilling campaign.

Regardless of this, based on the currently established Mineral Resource, results from a recent Scoping Study support the Company's belief that an initial small scale, 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.

Additional work is currently being undertaken to establish a measured Mineral Resource at Dunrobin and complete a feasibility study on the fast track development of a project based on this upgraded resource. In addition, baseline environmental studies and sampling are already underway in preparation to support project development through the submission of an Environmental Impact Assessment to the Zambia Environmental Management Agency. The Company expects to submit this study during the September 2012 quarter.

Community Development

The Exploration Camp has recently been connected to the Zambian national grid electricity supply. A follow on benefit from this is that Luir Gold has provided (free of charge) the local community clinic with a 24 hour power supply. As a result in-patients at the clinic have the benefit of electricity throughout the day and night and the clinic can now readily deal with after-hours medical emergencies.

More photos of current drilling at Dunrobin can be found on the Company website at 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.