

Mt Rawdon



LGL's 100% owned Mt Rawdon operation is an open pit gold and silver mine and process plant located in South East Queensland, approximately 80 kilometres south-west of Bundaberg.



HISTORY

LGL acquired the Mt Rawdon project in June 2008 through a merger with Equigold NL. Equigold had purchased the project in August 1998. Equigold completed a bankable feasibility study on the operation in June 1999, and began construction the following year. The Mt Rawdon project was commissioned in January 2001, with first gold production in February 2001.

GEOLOGY

The Mt Rawdon gold deposit is a massive, volcanoclastic hosted, low grade gold deposit conducive to low cost mining and treatment. The surface extent of mineralisation forms a roughly ovoid zone of 200 metres x 300 metres at gold grades greater than 0.7g/t gold. The mineralisation takes the form of fine disseminated pyrite within the host rocks as well as more discrete sulphide veinlets. The host volcanoclastic rocks strike northeast and have a shallow to moderate dip to the southwest.

RESOURCE AND RESERVES

Mt Rawdon gold resource (including reserves) at 30 June 2007:

Resource category	Tonnes	Average grade (Au g/t)	Contained ounces
Measured	2,904,000	1.0	92,200
Indicated	41,616,000	0.9	1,228,300
Inferred	7,603,000	0.8	188,500

Mt Rawdon gold reserves at 30 June 2007:

	Resource category	Tonnes	Average grade (Au g/t)	Contained ounces
Reserves	Proved	2,516,000	1.0	82,100
	Probable	32,943,000	0.9	1,004,100
Total reserves		35,459,000	1.0	1,086,200

Mt Rawdon silver resources at 30 June 2007 (including reserves):

Resource category	Tonnes	Average grade (Ag g/t)	Contained ounces
Measured	2,904,000	2.9	272,000
Indicated	41,616,000	2.6	3,452,000
Inferred	7,603,000	2.1	513,300

Mt Rawdon silver reserves at 30 June 2007:

	Resource category	Tonnes	Average grade (Ag g/t)	Contained ounces
Reserves	Proved	2,516,000	3.0	243,200
	Probable	32,943,000	2.7	2,835,600
Total reserves		35,459,000	2.7	3,078,800

Competent Person

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Morgan Hart. Mr Hart was a full-time employee of Equigold Pty Ltd at the time. Mr Hart is a member of the Australasian Institute of Mining and Metallurgy. Mr Hart has sufficient experience which is relevant to the style of mineralisation 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 Hart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MINING

The operation mines a single open pit using conventional mining methods of drill, blast, load and haul, using a local mining contractor. Total annual material movements are scheduled at 10.3Mt until 2010, after which this decreases by half with mining ceasing in 2015. The strip ratio is ~1.2: 1.

PROCESSING

The processing plant consists of primary and secondary crushing, SAG and ball milling, followed by conventional cyanide leaching. Mill throughput is maintained at ~3.4mtpa of ore with a recovery of approximately 89%.

MINE LIFE

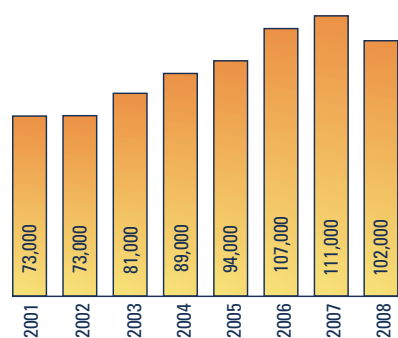
Mt Rawdon has an estimated mine life of ~10 years at ~100koz pa, with the operation scheduled to continue until 2017.

EXPLORATION

The Mt Rawdon deposit area is covered by granted mining tenements — nine mining leases and an Exploration Permit covering an aggregate of 2334km². The mining leases were granted between the years 1974 and 2000, and at this time last between 2011 and 2023. LGL is committed to increasing reserves and extending the mine life of Mt Rawdon through on-going exploration in and around the mine.

TOTAL GOLD PRODUCTION

Mt Rawdon has produced over 730,000 ounces of gold since operations began in 2001.



PRODUCTION DATA

			2008	2007	2006
Mining	Ore mined	kt	3,162	3,340	3,516
Processing	Ore milled	kt	3,460	3,412	3,510
	Head grade	Au g/t	1.03	1.18	1.08



MINING FLEET

Earthmoving (Contractors):

1 x Hitachi EX1900 Excavator
 2 x Hitachi EX1200 Excavators
 2 x Komatsu D375 Bulldozers
 1 x Komatsu D275 Bulldozer
 1 x Cat 16G Grader
 1 x Cat 14G Grader
 8 x Komatsu HD 785 Dump Trucks
 1 x Komatsu HD 465 Dump Truck

Drilling (Contractors):

4 x Gardener Denver 5000 Drill Rigs
 1 x Gardener Denver 3500 Drill Rig
 2 x Cat PC330 Excavators – one
 with a rockbreaker

WORKFORCE

Mt Rawdon's total workforce, including business partners, totals 150 people.

	Number	Percentage %
Employees	59	39
Business partners	91	61
Total	150	100

LGL INVESTOR INFORMATION

Stock Exchange Listings

Australian Stock Exchange (LGL)
 NASDAQ National Market (LIHR)
 Port Moresby Stock Exchange (LGL)
 Toronto Stock Exchange (LGG)

Issued Capital

Ordinary shares – 2,368,729,935

Volume of Shares Traded

(average daily turnover, millions)

	2008	2007	2006
ASX	15.9	13.1	13.3
NASDAQ*	0.6	0.2	0.2

* Each LIHR ADR on NASDAQ represents 10 shares

Substantial shareholders

Fidelity	11.1%
BlackRock	10.0%
NWQ/Tradewinds	9.8%

Market capitalization

As at May 2009 – A\$7 billion



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