

LUIRI GOLD LIMITED

**Notice of Annual Meeting of Shareholders
On March 7, 2008**

**Management Information Circular
Dated January 28, 2008**

**Audited Financial Statements
For the year ended October 31, 2007**

**Management's Discussion and Analysis
For the year ended October 31, 2007**

Corporate Information

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LUIRI GOLD LIMITED

**Suite 500, 357 Bay Street
Toronto, Ontario M5H 2T7**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of LuiRI Gold Limited (hereinafter called the "Company") will be held at Suite 1750, 1185 West Georgia Street, Vancouver, British Columbia on:

FRIDAY, THE 7TH DAY OF MARCH, 2008

at the hour of 10:00 o'clock in the morning (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended October 31, 2007, together with the report of the Auditors thereon;
2. to appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration;
3. to determine the number of directors and to elect directors;
4. to consider and, if thought fit, to approve the Company's stock option plan, which makes a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder, as described in the accompanying Management Information Circular dated January 28, 2008;
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a Form of Proxy, a Management Information Circular and the Audited Financial Statements of the Company for the fiscal year ended October 31, 2007. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy holder to attend and vote in his stead. If you are unable to attend the Meeting, or any adjournment thereof in person, please read the Notes accompanying the Form of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes so that as large a representation as possible may be had at the meeting. The enclosed Form of Proxy is solicited by Management but, as set out in the Notes, you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 28th day of January 2008.

BY ORDER OF THE BOARD

(Signed) "Ted Grobicki"

Chairman

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LUIRI GOLD LIMITED

**Suite 500, 357 Bay Street
Toronto, Ontario M5H 2T7**

MANAGEMENT INFORMATION CIRCULAR AS AT AND DATED JANUARY 28, 2008

This Management Information Circular accompanies the Notice of the 2008 Annual Meeting of shareholders of LuiRI Gold Limited (hereinafter called the "Company"), and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment thereof.

Solicitation of Proxies

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF LUIRI GOLD LIMITED OF PROXIES TO BE USED AT THE ANNUAL MEETING OF SHAREHOLDERS OF THE COMPANY AND ANY ADJOURNMENT THEREOF (THE "MEETING") TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING.

References in this management information circular to the "Meeting" include references to any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally by regular officers or employees of the Company at nominal cost. The cost of solicitation by management will be borne directly by the Company.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy. To be effective, proxies for the Meeting must be delivered by mail or fax to the transfer agent of the Company, Pacific Corporate Trust Company, 2nd Floor, 510 Burrard Street, Vancouver, B.C., Attention: Proxy Department (Fax: 604-689-8144) not later than 48 hours before the time of holding the Meeting. The Chairman of the Meeting will have the discretion to accept or reject proxies delivered up to the time of the Meeting.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his attorney authorized in writing, and deposited with Pacific Corporate Trust Company not

later than 48 hours before the time of holding the Meeting, or with the Chairman of the Meeting on the day of the Meeting, or in any other manner permitted by law.

Voting of Proxies

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS INFORMATION CIRCULAR OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY. WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY TO BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this information circular management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Non-Registered Holders

Only registered shareholders of the common shares of the Company (the "**Common Shares**") or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a holder who is not a registered holder (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an "**Intermediary**"); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101, the Company will distribute copies of the Notice of Meeting, form of proxy and this information circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders unless the Non-Registered Holder has waived the right to receive them. Generally, Non-Registered Holders who have not waived the right to receive materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holders, but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holders when

submitting the proxy. In this case, the Non-Registered Holders who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company's transfer agent as provided above; or**

- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holders and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holders must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares, which they beneficially own. Should a Non-Registered Holders who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holders should strike out the names of the Management Proxy holders named in the form and insert the Non-Registered Holders' name in the blank space provided. **In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

Voting Securities and Principal Holders Thereof

The authorized capital of the Company consists of an unlimited number of Common Shares. There is one class of shares only. As of the date hereof, the Company had issued and outstanding **49,664,405** Common Shares.

The Company shall make a list of all persons who are registered holders of Common Shares on February 4, 2008 (the "**Record Date**") and the number of Common Shares registered in the name of each person on that date. At an Annual Meeting of the Company, on a show of hands, every shareholder present in person and entitled to vote and every proxy holder duly appointed by a holder of a common share who would have been entitled to vote shall have one vote and on a poll, every shareholder present in person or represented by proxy and entitled to vote shall have one vote for each share registered in his name as it appears on the list except to the extent that such shareholder has transferred any of his shares after the Record Date and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he owns the shares and demands, not later than ten days before the Meeting, that his name be included in the list. In such case the transferee is entitled to vote his Common Shares at the Meeting. The instrument

of proxy, and the power of attorney or other authority, if any, under which it is signed or a notary certified copy thereof, must be deposited either at the office of the Registrar and Transfer Agent of the Company, Pacific Corporate Trust Company, 2nd Floor, 510 Burrard Street, Vancouver, B.C., or at the Head Office of the Company at Suite 500, 357 Bay Street, Toronto, Ontario M5H 2T7 not less than 48 hours, Saturdays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Company, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to the Common Shares other than:

Name and Municipality of Residence	Number of Securities	Percentage of Shares
International Mining Investments Limited ⁽¹⁾ Jersey, Channel Islands, United Kingdom	5,506,560 common shares	11.1%
Briac Investments Limited Grand Cayman, Cayman Islands	5,760,000 common shares	11.6%
⁽¹⁾ A private company owned by Michael Sperinck (as to 20%) and seven private trusts.		

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended October 31, 2007 (the "Financial Statements"), together with the Auditors' Report thereon, will be presented to the shareholders at the Meeting. The Financial Statements, together with the Auditors' Report thereon, are being mailed to the shareholders of Record with this Management Information Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

Management proposes that the number of directors for the Company be determined at five (5) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company. Each director will hold office until the next annual meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the articles of the Company.

At the Meeting, shareholders will be asked to elect five directors (the "**Nominees**"). The following table provides the names of the Nominees and information concerning such Nominees. **The persons named in the enclosed form of proxy intend to vote for the election of the Nominees.** Management does not contemplate that any of the Nominees will be unable to serve as a director. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT

DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

Management nominees for the Board of Directors and information concerning them as furnished by the individual nominees is as follows:

NAME AND MUNICIPALITY OF RESIDENCE ⁽⁷⁾	DIRECTOR SINCE	NUMBER OF SHARES BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, OR OVER WHICH CONTROL OR DIRECTION IS EXERCISED AT THE DATE OF THIS INFORMATION CIRCULAR ⁽¹⁾	PRINCIPAL OCCUPATION AND IF NOT AT PRESENT AN ELECTED DIRECTOR, OCCUPATION DURING THE PAST FIVE (5) YEARS
Ted Grobicki ⁽²⁾⁽³⁾⁽⁴⁾ Churchlands Western Australia	April 16, 2007	588,235 common shares ⁽⁶⁾	Chairman
Michael Sperinck ⁽⁴⁾ Bull Creek Western Australia	June 21, 2006	410,246 ⁽⁵⁾	President, Chief Executive Officer and Director
Peter Tanham ⁽²⁾ Scarborough Western Australia	June 21, 2006	100,000 common shares	Chief Financial Officer and Director
Gordon Richards ⁽²⁾ ⁽³⁾⁽⁴⁾ Delta British Columbia	February 3, 2004	275,000 common shares	Director
Richard Billingsley ⁽²⁾⁽³⁾⁽⁴⁾ Vancouver, British Columbia	October 25, 2006	Nil	Director

- (1) The information as to Common Shares owned or over which the Nominees exercise control or direction, not being within the knowledge of the Company, has been furnished by the respective Nominees.
- (2) A member of the Audit Committee.
- (3) A member of the Compensation Committee.
- (4) A member of the Corporate Governance Committee.
- (5) Michael Sperinck holds a 20% beneficial interest in International Mining Investments Limited, a private company which owns 5,506,560 common shares, representing approximately 11.1% of the common shares outstanding in the Company.
- (6) The G143 Trust is an entity in which the Chairman has an interest and significant management influence. In April 2007 the trust purchased 588,235 units in the share placement as detailed in note 9(d).

IF ANY OF THE FOREGOING NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Appointment of Auditors

Unless such authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of the firm of McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as auditors of the Company until the close of the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

Approval of Rolling Stock Option Plan

At last year's Annual General Meeting held on February 12, 2007, the shareholders approved a rolling stock option plan (the "Stock Option Plan"), authorizing the issuance of incentive stock options to directors, officers, employees and consultants up to an aggregate of 10% of the issued shares from time to time. The policies of the TSX Venture Exchange require the shareholders to approve the Stock Option Plan each year. There are currently 49,664,405 common shares issued and outstanding, therefore the current 10% threshold is 4,966,440 common shares under the Stock Option Plan. The full text of the Stock Option Plan will be available for review at the meeting.

Accordingly, the shareholders will be asked to pass the following ordinary resolution at the Meeting:

"BE IT RESOLVED THAT:

1. the Stock Option Plan be and is hereby ratified and approved; and
2. any director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such ratification and approval, the execution of any such document or the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination."

Unless such authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the foregoing resolution.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

For purposes of this Management Information Circular, "Named Executive Officers" means each individual who served as chief executive officer or acted in a similar capacity during the most recently completed financial year, each individual who served as chief financial officer or acted in a similar capacity during the most recently completed financial year, each of the Company's three most highly compensated executive officers (other than the chief executive officer and the chief financial officer) who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000. In addition, disclosure is also required for certain individuals whose total salary and bonus during the most recent financial year was \$150,000, whether or not they are an executive officer at the end of the most recently completed financial year.

During the fiscal year ended October 31, 2007, the Company had two Named Executive Officers: Michael Sperinck, Chief Executive Officer, and Peter Tanham, Chief Financial Officer.

The following table summarizes the compensation paid to the Named Executive Officers during the last three fiscal years.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG TERM COMPENSATION	ALL OTHER COMPENSATION (\$)
		SALARY	BONUS	OTHER	SHARES UNDER OPTION	
MICHAEL SPERINCK Chief Executive Officer	2007	\$185,950 ⁽¹⁾	Nil	Nil	Nil	Nil
	2006	\$149,249 ⁽¹⁾	\$61,337 ⁽²⁾	Nil	1,435,500	Nil
	2005	Nil	Nil	Nil	Nil	Nil
PETER TANHAM Chief Financial Officer	2007	\$38,819 ⁽¹⁾	Nil	Nil	Nil	Nil
	2006	\$10,020 ⁽¹⁾	Nil	Nil	717,750	Nil
	2005	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Paid through management contracts. Pursuant to the terms of these agreements, Mr. Sperinck provides his services through Global Mining Services Pty Ltd. and Mr. Tanham provides his services through Westland Corporate Pty Ltd. The term of each of the agreements will be one year.

⁽²⁾ A one-time bonus based on the written agreement that Mr. Sperinck had with LG Holdings Limited. The terms of Mr. Sperinck's employment package include an annual remuneration of A\$200,000 and a one-time bonus based on the increase in market capitalization (using a base market capitalization of C\$5.6 million), multiplied by 0.2%, multiplied by the percent increase in market capitalization divided by 100. This bonus was capped at US\$100,000 and was based on the average market capitalization of the listed entity one month after listing. This employee contract was terminated on completion of the Qualifying Transaction and replaced with a new employment contract with the Company containing substantially the same financial terms.

Note: Certain columns are omitted because there has been no compensation awarded to, earned by or paid to any of the named executives required to be reported in the above table.

Long Term Incentive Plan (LTIP) Awards

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company’s securities), was paid or distributed to the Named Executive Officers during the most recently completed financial year ended October 31, 2007.

Options and Stock Appreciation Rights (SARs)

The Company currently maintains a formal stock option plan, under which stock options may be granted for up to 10% of the Company’s issued and outstanding common shares at the time of grant of stock options under the Stock Option Plan.

**OPTIONS/SARs GRANTED
DURING THE MOST RECENTLY COMPLETED FISCAL YEAR**

Stock options granted to the Named Executive Officers during the fiscal year ended October 31, 2007 are provided in the table below:

Name of Optionee	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted in Fiscal year⁽¹⁾	Exercise or Base Price (Cdn.\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (Cdn.\$/Security)	Expiration Date
Richard Billingsley	143,500	12.5%	\$0.40	\$0.40	March 13, 2012
Ted Grobicki	1,000,000	87.5%	\$0.38	\$0.38	May 25, 2012
	1,143,500	100.0%			

(1) Based on the total number of options granted to directors/officers/consultants of the Company pursuant to the stock option plan during the fiscal period ended October 31, 2007.

The Company did not reprice downward any options held by any Named Executive Officer during the most recently completed financial year.

Termination of Employment, Changes in Responsibilities and Employment Contracts

The Company has employment contracts with the current Named Executive Officers, and other senior officers, as follows:

1. Effective June 2007, the Company entered into an employment contract with Mr. Michael Sperinck (President and CEO) pursuant to which Mr. Sperinck is currently entitled to compensation of Australian Dollar 200,000 per annum. Mr. Sperinck will provide his services to the Company through Global Mining Services Pty Ltd. The term of the agreement will be one year.
2. Effective June 2007, the Company entered into an employment contract with Mr. Peter Tanham (CFO) pursuant to which Mr. Tanham is entitled to compensation of Canadian Dollar 48,000 per annum. Mr. Tanham will provide his services to the Company through Westland Corporate Pty Ltd. The term of the agreement will be one year.

Other management services for the Company are not, to any material degree, performed by persons other than the senior officers of the Company.

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

Composition of Compensation Committee

Refer to "Election of Directors" for the members of the Company's Compensation Committee.

Report on Executive Compensation

The Company attempts to apply a consistent compensation philosophy to all employees, including its executive officers. Individual performance is measured against development objectives and the degree to which teamwork and the Company's interests are promoted. The Company attempts to achieve a balance between the compensation paid to a particular individual and the compensation paid to other employees and executive officers having similar levels of responsibility within the Company. The Company also attempts to compare its compensation for its executive officers and employees with what similar companies in the market place are paying for similar services. Due to the early stage of the Company's development programs, the flexibility to quickly increase or decrease appropriate human resources is seen as a critical element. The Company's compensation system consists of three components: cash compensation, cash bonuses and stock options.

Pursuant to the Company's stock option plan (the "Plan"), directors, officers and employees of the Company and other persons who provide ongoing management or consulting services to the Company are eligible to be granted by the Board, on the recommendation of the Compensation Committee, options to acquire Common Shares. The Plan is intended to provide eligible persons with an opportunity to participate in the growth and development of the Company by providing such persons with the opportunity to acquire a proprietary interest in the Company. Options are granted in recognition of individual services, to encourage participants to increase their efforts to make the Company more successful, and to retain the services of the individuals on an ongoing basis. Options are granted at an exercise price equal to or above the prevailing market price of the Common Shares at the time of grant. The maximum aggregate number of shares that may be issued and reserved for issuance under the Plan, when combined with any other share compensation arrangement of the Company, shall not exceed 10% of the Company's issued and outstanding Common Shares at the date of such share issuance. The existing number of outstanding options held by an individual is also considered when a new grant of options is made. Upon exercise of an option, the Common Shares thereby purchased must be paid for in full. The Company does not provide financial assistance in connection with the exercise of options.

The Company is focused on the implementation of improved financial reporting and corporate governance policies and procedures. The Compensation Committee will include these factors together with other relevant objectives and information in its evaluations.

Presented by the Compensation Committee:

(Signed) "Ted Grobicki"
Chairman

Compensation of Directors

Directors are not paid any fees in their capacity as directors of the Company. Directors are entitled to participate in the Company's stock option plan. The stock option plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Company. Directors were granted the following options during the fiscal year ended October 31, 2007:

- a) Mr. Richard Billingsley was granted 146,500 options at \$0.40 per common share which expire on March 13, 2012;
- b) Mr. Ted Grobicki was granted 1,000,000 options at \$0.38 per common share which expire on May 25, 2012;

Other Arrangements

None of the directors of the Company were compensated in their capacity as a director by the Company during the fiscal year ended October 31, 2007 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

Securities Authorized for Issuance Under Equity Compensation Plans

The table below sets out the outstanding options under the Company's existing Stock Option Plan under which common shares of the Company are authorized for issuance as of the end of the Company's most recently completed fiscal period.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	2,312,000	0.48	-
Equity compensation plans not approved by security holders	1,446,500	0.38	607,941
TOTAL	3,758,500	0.44	607,941

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Company or any of their associates were indebted to the Company during the fiscal year ended October 31, 2007, including under any securities purchase or other program, or is currently indebted to the Company.

Interest of Informed Persons in Material Transactions

No Insider of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any material transaction involving the Company since November 1, 2005 or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries other than as disclosed herein.

Interest of Persons in Matters to be Acted Upon

None of the directors or senior officers of the Company, no management nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed fiscal year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

OTHER BUSINESS

Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

Under Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110") reporting issuers in those jurisdictions which have adopted MI 52-110 are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's Charter, composition of the Committee, and the fees paid to the external auditor. The Company is a reporting issuer in B.C. and Alberta. MI 52-110 has not been adopted in B.C., but it has been adopted in Alberta. Accordingly, the Company provides the following disclosure with respect to its Audit Committee:

Please refer to Exhibit 1 to Schedule “A” attached to this Management Information Circular for the Audit Committee Charter.

Composition of Audit Committee

Following the election of directors pursuant to this Management Information Circular, the following are the proposed members of the Audit Committee:

Ted Grobicki	Independent ⁽¹⁾	Financially literate ⁽²⁾
Gordon Richards	Independent ⁽¹⁾	Financially literate ⁽²⁾
Richard Billingsley	Independent ⁽¹⁾	Financially literate ⁽²⁾
Peter Tanham	Not Independent	Financially literate ⁽²⁾

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed fiscal year has the Company relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Company’s external auditors, to approve in advance provision of services other than auditing, and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee’s consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in each of the last three fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

FINANCIAL YEAR ENDING		AUDIT FEES ⁽¹⁾	AUDIT RELATED FEES ⁽²⁾	TAX FEES	OTHER
October 31, 2007		\$33,000	--	\$2,500	\$2,800
October 31, 2006		\$24,475	--	--	--
October 31, 2005		\$9,095	--	--	--

(1) Audit fees consist of aggregate fees billed for professional services rendered for the audit of annual financial statements and overview of the interim financial statements included in quarterly reports.

(2) Audit related fees consist of aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under Audit fees. These fees include the review of registration statements, the participation at the meetings of the board of directors and audit committee and compilation of pro forma statements and the interim financial statements.

Exemption

The Company has relied upon the exemption provided by section 6.1 of MI 52-110, which exempts a "venture issuer" from the requirement to comply with the restrictions on the composition of its Audit Committee as well as the disclosure requirements of its Audit Committee in an annual information form as prescribed by MI 52-110. The Company is a "venture issuer" as that term is defined under MI 52-110.

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires the Company to disclose in its Management Information Circular certain information relating to the Company's corporate governance practices. This disclosure in Form 58-101F1 is appended as Schedule "A" to this Management Information Circular.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. To obtain copies of the Company's Financial Statements and Management Discussion and Analysis (which contains financial information about the Company), shareholders are directed to the Company's filings on SEDAR or may request copies of such information in writing by contacting the Company at: Suite 500, 357 Bay Street, Toronto, Ontario, M5H 2T7.

APPROVAL AND CERTIFICATION

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

Where information contained in this Management Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Ted Grobicki"

Chairman

Schedule "A"

FORM 58-101F1
CORPORATE GOVERNANCE DISCLOSURE

The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The disclosure requirements of National Instrument 58-101 and a commentary on the Company's approach with respect to each requirement are set forth below.

Disclosure Requirements	Comments
<p>Disclose the identity of directors who are independent.</p> <p>Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>It is proposed that the Board of Directors have four directors, two of whom would be independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of MI 52-110. A director is independent if he or she has no direct or indirect material relationship to the Company. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of MI 52-110.</p> <p>Ted Grobicki, Gordon Richards and Richard Billingsley are considered to be independent directors.</p> <p>Michael Sperinck is not considered to be independent by virtue of his position as President and Chief Executive Officer of the Company. Peter Tanham is not considered to be independent by virtue of his position as Chief Financial Officer of the Company.</p>
<p>Disclose whether or not a majority of directors are independent.</p>	<p>A majority of the directors are not independent.</p>
<p>If a director is presently a director of another issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Ted Grobicki is a director of Dioro Exploration NL</p> <p>Richard Billingsley is a director of Glass Earth Limited, Youandi Capital Corp, Carrington Acquisition Corp and Bricol Capital Corp</p>
<p>Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year end. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.</p>	<p>The Board holds regular monthly meetings. At each meeting of the Board, all members are encouraged to raise and discuss any matters for discussion. Eleven Board meetings were held during fiscal 2007.</p>

<p>Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his role and responsibilities.</p>	<p>Ted Grobicki is the Chairman of the company. He is an independent director.</p>
<p>Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>Michael Sperinck – 11 (of 11) Board meetings Peter Tanham – 11 (of 11) Board meetings Gordon Richards – 9 (of 11) Board meetings Richard Billingsley – 10(of 11) Board meetings Ted Grobicki (recently appointed) - 7 (of 7) Board meetings</p>
<p>Disclose the text of the Board's written mandate.</p>	<p>Please refer to Exhibit 2 attached to this Management Information Circular for the "Directors' Position Description".</p>
<p>Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>The Board has not developed written position descriptions for the chair and the chair of each board committee. Positions descriptions will be developed in due course. To date the size of the Board and each Board committee has meant that all members take responsibility for the activities of the Board and Board committees respectively, with the chair responsible for chairing meetings of the Board or particular Board committee.</p>
<p>Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Board and the CEO have not developed a written position description for the CEO. A position description for the CEO will be developed in due course, but due to the size of the Board and the early stage of development of the Company, the CEO has worked very closely with the Board on all matters material to the Company.</p>
<p>Briefly describe what measure the Board takes to orient new directors regarding:</p> <p>(i) the role of the Board, its committees and its directors, and</p> <p>(ii) the nature and operation of the issuer's business.</p>	<p>New directors met in person or telephonically with the CEO for a technical orientation session, while the CFO provided written and oral background information on the group's financial, committee and secretarial functions. It is expected, given the size of the group and its recent publications that a similar orientation process would provide any new directors with a good grounding.</p>
<p>Briefly discuss what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>The Board of Directors does not provide formal continuing education for directors. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, experience as businesspersons and managers, service as directors of other issuers and advice from the Company's legal counsel, auditors and other advisors.</p>

<p>Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p> <p>(i) disclose how a person or company may obtain a copy of the code,</p> <p>(ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code, and</p> <p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>The Board has adopted a written code of conduct for its directors, officers, employees and those consultants who represent the Company.</p> <p>(i) a copy of the Company's code of conduct referred to above can be obtained by written request to Luir Gold Limited, at Suite 500, 357 Bay Street, Toronto, Ontario M5H 2T7, or by reference to the Company's website.</p> <p>(ii) The Board monitors compliance with its code by requiring that each director and officer annually affirm, in writing, that he/she has read and understood the code of conduct and has agreed to abide by it in all aspects. An (email) hotline, monitored by an independent director, is available for the reporting of any financial or other complaints.</p> <p>(iii) None. No complaints have been reported.</p>
<p>Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>Each director and executive officer is required to fully disclose his interest in respect of any transaction or agreement to be entered into by the Company. Once such interest has been disclosed, the Board as a whole determines the appropriate level of involvement the director or executive officer should have in respect of the transaction or agreement.</p>
<p>Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>Management, with the support of the Board, has put structures in place to ensure effective communication between the Company and its shareholders and the public. The Company provides disclosure as required by law, and legal counsel reviews press releases and reports to shareholders as required.</p> <p>The Board manages the business of the Company on behalf of the shareholders and is responsible for, among other things, strategic planning and management of the Company's principal risks. Any responsibility that is not delegated to senior management or a committee of the Board remains with the full Board. In addition to those matters, which must by law be approved by the Board, the approval of the Board is required for major transactions or expenditures.</p>
<p>Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>All directors are responsible for recommending suitable candidates for nomination to the Board, when required, and when doing so consider:</p> <p>(a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;</p> <p>(b) the competencies and skills that the Board considers necessary for each existing director to possess; and</p> <p>(c) the competencies and skills each new nominee will bring to the boardroom.</p>
<p>Continued Next Page</p>	<p>Continued Next Page</p>

<p>Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage and objective nomination process.</p>	<p>The Company does not have a formal process or committee for proposing new nominees to the Board of Directors.</p>
<p>If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Board does not, at present, have a Nominating Committee, but will consider implementing one in the future should circumstances warrant.</p>
<p>Describe the process by which the Board determines compensation for the issuer's directors and officers.</p>	<p>The Company has established a compensation committee, which will comprise of Ted Grobicki Gordon Richards and Richard Billingsley, to ensure that independent directors determine and review the remuneration of executives on behalf of the Board of Directors and that the remuneration policies and packages attract, retain and motivate quality individuals without exceeding market rates.</p> <p>The compensation committee determines and agrees with the Board of Directors the framework or broad policy for the remuneration of the Company's executive directors, CEO and other members of the executive management of the Company. The remuneration of non-executive directors is determined by the executive members of the Board of Directors. No director or manager is involved in any decisions as to their own remuneration.</p>
<p>Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>	<p>The Board has a Compensation Committee composed of three directors, all of whom are independent.</p>
<p>If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>Please refer to Exhibit 3 attached to this Management Information Circular.</p>
<p>If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>Not applicable.</p>
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board of Directors has established a Corporate Governance Committee comprised of a majority of independent directors, but currently has no other standing committees. Please refer to Exhibit 4 attached to this Management Information Circular.</p>

<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.</p> <p>If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The board does not, at present, have a formal process in place for assessing the effectiveness of the board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.</p>
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Exhibit 1

Audit Committee Charter

(Implemented pursuant to Multilateral Instrument 52-110)

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

- (a) The Board shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the audit committee to be composed of three directors or such other number not less than three as the Board may from time to time determine, of whom the majority shall not be officers or employees of the Company or an affiliate of the Company. A majority of the audit committee shall constitute a quorum.
- (b) Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall cease to be a member of the audit committee. Subject to the foregoing, each member of the audit committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the committee shall be filled at the next meeting of the Board.
- (c) The responsibilities of the audit committee shall be to:

With respect to Financial Accounting Matters,

1. Review with management and the external auditors the annual consolidated financial statements, the annual report including the management discussion and analysis, and the press release before making recommendations to the Board relating to approval of the statements.
Timing: year-end.
2. Review with management, and if deemed necessary with the external auditors, interim financial statements, the quarterly report including the management discussion and analysis, and the press release before making recommendations to the Board relating to approval of the statements.
Timing: first three quarters.

3. Review with management, and if deemed necessary with the external auditors, all financial statements included in a prospectus or annual information form or any other public disclosure document containing financial information before making recommendations to the Board relating to the approval of the same. *Timing: as required.*
4. Review annually the accounting principles and practices followed by the Company and any changes in the same as they occur. *Timing: annually near year-end.*
5. Review new accounting principles of the Canadian Institute of Chartered Accountants, which would have a significant impact on the Company's financial reporting as reported to the audit committee by management. *Timing: annually near year-end or as required.*
6. Review estimates, judgments and choices of accounting alternatives, which are material to reported financial information as reported to the audit committee by management. *Timing: each quarter and year-end.*
7. Review the status of material contingent liabilities as reported to the audit committee by management. *Timing: each quarter and year-end.*
8. Review the status of income tax returns and potentially significant tax problems as reported to the audit committee by management. *Timing: immediately as known.*
9. Review any errors or omissions in the current or prior year's financial statements. *Timing: immediately as known.*

With respect to Internal Controls,

Review with management, and if deemed necessary with the external auditors, the adequacy of the Company's internal controls over financial reporting and disclosure controls and procedures to ensure that:

(a) effective internal controls over financial reporting have been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP; and

(b) disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the board of directors in a timely manner.

With respect to the External Auditors,

1. Review with management the performance and independence of the external auditors and report thereon to the Board at least annually, including, where appropriate, a recommendation to replace the external auditor. *Timing: year-end.*
2. Review with management the engagement letter of the external auditors and the scope and timing of the audit work to be performed as outlined in the Audit Plan. *Timing: annually.*
3. Review with the external auditors the performance of management involved in the preparation of financial statements and any problems encountered by the external auditors, any restrictions on the auditors' work, the cooperation received in the performance of the audit and the audit findings. *Timing: year-end.*
4. Review the management letter with management and the external auditors, noting any significant recommendations on internal control made by them to management and management's response to the recommendations. *Timing: mid-year starting in second year.*
5. Review with management and the external auditors, estimated and actual audit fees. *Timing: mid-year.*
6. Receive and review with the external auditors a formal written statement prepared by the external auditors that discloses all relationships, including the nature of and fees for any non-audit services performed for the Company, between the external auditor and the Company and consider whether the nature and extent of such services could impact on the objectivity and independence of the external auditor and, if necessary, recommending that the full board take appropriate action to oversee the independence of the external auditor. *Timing: as required.*

With respect to General Audit Matters,

1. Inquire of management, and the external auditors as to any activities that may be or may appear to be illegal or unethical. *Timing: each quarter and year-end.*
2. Review with management, and if deemed necessary, with the external auditors any material frauds reported to the audit committee. *Timing: immediately as known.*

3. Review with the external auditors the adequacy of staffing for accounting and financial responsibilities. *Timing: year-end.*
 4. Report and make recommendations to the Board as the committee considers appropriate. *Timing: as required.*
- (d) In addition, the Board may refer to the audit committee such matters and questions relating to the Company and its affiliates as the Board may from time to time see fit.
 - (e) Any member of the audit committee may require the auditors to attend any or every meeting of the audit committee.
 - (f) The audit committee shall elect annually a chairman from among its members.
 - (g) The audit committee shall review and reassess the adequacy of the formal mandate on an annual basis.
 - (h) The times of and the places where meetings of the audit committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the audit committee; provided that notice of every such meeting and the circulation of the financial statements to committee members is at least 48 hours prior to the meeting. The auditors of the Company also shall be given such notice of meetings and shall be entitled to attend and be heard thereat, and meetings shall be convened whenever requested by the auditors, or any member of the audit committee in accordance with the Business Corporations Act (1982).
 - (i) At each meeting of the audit committee the independent members shall meet without management and consider any matters tabled by any such member. At each meeting at which the external auditors of the Company are in attendance, the independent members shall meet with the external auditors without management present and consider any matters tabled by any such member or the external auditors.
 - (j) The audit committee shall support the senior management team and the Board in keeping abreast of changes occurring or proposed to regulatory requirements and/or general accounting guidelines, such that the Company adopts “best in class” accounting and internal control policies and practices.
 - (k) All prior resolutions of the Board relating to the constitution and responsibilities of the audit committee are hereby repealed.

Outside of the Mandate but as a matter of routine at each Audit Committee Meeting, the Chief Financial Officer will make a series of reports which will include;

- 1. The CFO is not aware of any frauds or thefts of Company property*
- 2. The CFO is not aware of any activities which may be illegal or unethical*
- 3. There are no new contingent liabilities except as reported.*
- 4. There are no new tax reassessments or other tax issues except as reported.*
- 5. There are no prior year accounting adjustments except as reported.*

Exhibit 2

DIRECTOR'S POSITION DESCRIPTION

Every Director of the Company in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Company.
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

With respect to Fiduciary Duty or the Duty of Loyalty

1. the fiduciary duty requires a Director to be honest in dealing with other Directors and with the Company. In fact, a Director must disclose all information he or she has to the Board. The collegial structure of the Board and the practical delegation of responsibilities to committees will suffer if Directors deprive their fellow Directors of important information they need to carry out their responsibilities and practice due diligence.
2. the fiduciary duty implies a duty of confidentiality. All information about the Board or the Company's activities should be presumed to be confidential unless released to the public.
3. Directors may not profit at the expense of the Company. They may not divert opportunities or benefits from the Company to themselves or put themselves in a position of conflict by competing with the Company for business opportunities.
4. Directors must disclose their material interest in a party or contracts and should disclose these interests to the full Board and not just a committee.

With respect to the Duty of Care:

1. these responsibilities imply that the Directors attend meetings regularly, read the documents and briefing notes prepared for them prior to the meetings and follow-up on important matters.
2. the business judgement rule protects boards and directors from those that might second-guess their decisions. However, Directors must ensure that the process by which they made a decision ensures that there was adequate information available, agendas and background documents in place, rigorous review and questioning is documented and that in-depth review where warranted is referred to the appropriate committee.

Specific Duties of Directors

1. Overseeing and approving a strategy for the business.

The Directors, individually and collectively, have the responsibility to participate in developing and approving the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals. Directors must ensure there is congruence between shareholder expectations, Company plans and management performance.

2. Management of the Board and selection and oversight of senior management.

Directors, individually and collectively, are responsible for managing the Board affairs, including planning its composition, selecting its chair, nominating candidates for election to the Board, appointing committees and determining Director compensation. Directors, individually and collectively, have the responsibility for management succession including the appointment, monitoring and replacement of the Chief Executive Officer as well as Chief Executive Officer compensation. Directors have the responsibility for approving the appointment and compensation of senior management acting upon the advice of the Chief Executive Officer.

3. Monitoring and Acting

Directors, individually and collectively, have the responsibility for monitoring the company's performance against goals and revising strategy as appropriate.

4. Approving Policies and Procedures for implementing strategy

Directors, individually and collectively, have the responsibility for approving all significant policies and procedures and ensuring compliance with all laws and regulations, while adhering to the highest ethical and moral standards.

5. Reporting to shareholders on the performance of the business.

Directors, individually and collectively, have the responsibility for the integrity and timely reporting to shareholders in addition to the approval of all dividends.

6. Approval and completion of routine legal requirements

Directors, individually and collectively, are responsible for ensuring all legal requirements, documents and records have been properly prepared, approved and maintained.

Exhibit 3
Compensation Committee Mandate

This Charter has been adopted by the Board in order to more properly define the role of the Committee in the oversight of the compensation strategy and policies for Directors, Officers and employees of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures as necessary.

RESOLVED as follows:

- (a) The Board shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the Compensation Committee to be composed of two independent directors or such other number not less than two as the Board may from time to time determine. A majority of the Compensation Committee members will constitute a quorum, with a minimum of two.
- (b) Any member of the Compensation Committee may be removed or replaced at any time by the Board. Any member ceasing to be a director shall cease to be a member of the Compensation Committee. Subject to the foregoing, each member of the Compensation Committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the committee shall be filled at the next meeting of the Board.
- (c) The Board of Directors assumes responsibility for the stewardship of the Company, and as part of this stewardship, through the Compensation Committee, assumes responsibility for the following:

The responsibilities of the Compensation Committee will include reviewing and making recommendations to the Board with respect to the overall compensation strategy and policies for Directors, Officers and employees of the Company, more specifically these will include:

- 1. setting the goals and objectives for the compensation of the Chairman and the Chief Executive Officer. *Timing: annually and as required.*
- 2. evaluating the performance of the Chairman and the Chief Executive Officer relative to the goals and objectives set and recommending to the Board the compensation level of the Chairman and the Chief Executive Officer based on this evaluation. *Timing: annually and as required.*

3. reviewing the annual compensation of all other senior executive officers of the Company as recommended by the Chief Executive Officer. The Chief Executive Officer shall attend the Compensation Committee meeting when senior executive salaries are discussed. *Timing: annually and as required.*
 4. reviewing the Company's issuance of Stock Options and Compensation Shares and recommending to the Board a prudent level for these instruments and any disbursements there from. *Timing: as required.*
 5. reviewing employment contracts for senior officers and employees and recommendation thereof and/or changes thereto to the Board. *Timing: on-going*
 6. reviewing the compensation of the Company's Directors, based on work performed, responsibility assigned and liability incurred as assessed by the Chairman, Chief Executive Officer and the other Directors. *Timing: as required.*
- (d) In addition, the Board may refer to the Compensation Committee such matters and questions relating to compensation as the Board may from time to time see fit.
- (e) Any member of the Compensation Committee may require experts to attend a meeting of the Compensation Committee.
- (f) The Compensation Committee shall elect annually a chairman from among its outside director members.
- (g) The times of and the places where meetings of the committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Compensation Committee.
- (h) All prior resolutions of the Board relating to the constitution and responsibilities of the Compensation Committee are hereby repealed.

Exhibit 4

Corporate Governance Committee Mandate

This Charter has been adopted by the Board in order to more properly define the role of the Committee in the oversight of the strategic planning and corporate governance initiatives of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures as necessary.

RESOLVED as follows:

- (a) The Board shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the Corporate Governance Committee to be composed of three directors or such other number not less than three as the Board may from time to time determine, of whom the majority shall not be officers or employees of the Company or an affiliate of the Company. A majority of the Corporate Governance Committee shall constitute a quorum.
- (b) Any member of the Corporate Governance Committee may be removed or replaced at any time by the Board. Any member of the Corporate Governance Committee ceasing to be a director shall cease to be a member of the committee. Subject to the foregoing, each member of the Corporate Governance Committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the Corporate Governance Committee shall be filled at the next meeting of the Board.
- (c) The Board of Directors assumes responsibility for the stewardship of the Company, and as part of this stewardship, through the committee, assumes responsibility for the following:

With respect to the general management of the Company, **the Corporate Governance Committee will oversee:**

1. the strategic planning process and the development of the strategic plan for the Company. *Timing: annually.*
2. the development of the Code of Conduct and related policies to ensure the organization has a consistent frame of reference for dealing with complex issues relating to compliance with the laws of all jurisdictions within which it operates, confidentiality, integrity and individual responsibility and provide for accountability if employees or members of senior management or the Board fail to meet the Code's standards. *Timing: annual review of policies and as required for compliance issues.*

3. the establishment of a succession plan for the Company including the appointing, training and assessment of employees, senior management and the Board. *Timing: annually and as required.*
4. the development of a communications policy to ensure that public disclosure of the Company is timely and complete. *Timing: as required.*
5. and support the senior management team and the Board in keeping abreast of changes occurring or proposed to regulatory and market requirements to ensure the Company's approach to corporate governance issues, including, among other things, the Company's response to the guidelines set out by the TSX Venture Exchange, as appended (and as may be modified from time to time), such that, the Company adopts "best in class" corporate governance policies and practices. *Timing: on-going.*

With respect to the Risk Management of the Company, **the Corporate Governance Committee will conduct:**

1. a review of the risks inherent in all of the business activities of the Company. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*
 2. an assessment of the integrity and adequacy of the internal control policies and procedures and information systems of the Company to ensure the Company adequately mitigates the risks of its business activities. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*
 3. the development of the authorities of senior management and the board regarding the major business activities of the Company to ensure a common understanding of these key authorities, including which activities require pre-approval and post approval requirements. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*
- (d) In addition, the Board may refer to the Corporate Governance Committee such matters and questions relating to the Company and its affiliates as the Board may from time to time see fit.
- (e) Any member of the Corporate Governance Committee may require experts to attend a meeting of the Corporate Governance Committee.
- (f) The committee shall elect annually a chairman from among its outside director members.

- (g) The times of and the places where meetings of the Corporate Governance Committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the committee.
- (h) All prior resolutions of the Board relating to the constitution and responsibilities of the Corporate Governance Committee are hereby repealed.

Luri Gold Limited
(A Development Stage Company)

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2007 AND 2006**

(Stated in Canadian Dollars)



McGovern, Hurley, Cunningham, LLP
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
LUIRI GOLD LIMITED
(A Development Stage Company)

We have audited the consolidated balance sheet of LuiRI Gold Limited (A Development Stage Company) as at October 31, 2007 and 2006 and the consolidated statements of shareholders' equity, operations and deficit, and cash flows for each of the years in the two-year period ended October 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2007 and 2006 and the results of its operations and its cash flows for each of the years in the two-year period ended October 31, 2007 in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
December 5, 2007
except for Note 18, which
is as of December 11, 2007

2005 Sheppard Avenue East, Suite 300, Toronto, Ontario, Canada, M2J 5B4
Telephone: (416) 496-1234 – Fax: (416) 496-0125 – E-Mail: info@mhc-ca.com – Website: www.mhc-ca.com

Luir Gold Limited
(A Development Stage Company)
Consolidated Balance Sheets
(expressed in Canadian dollars)

As at	October 31 2007 \$	October 31 2006 \$
ASSETS		
Current Assets		
Cash and equivalents	1,738,198	1,842,230
Amounts receivable	350,533	48,713
Advances and prepaid expenses	179,101	7,218
	2,267,832	1,898,161
Mineral Properties (Note 6)	3,955,086	473,226
Equipment (Note 7)	82,156	43,012
	6,305,074	2,414,399
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	871,405	143,908
Commitments and Contingencies (Note 16)		
Going Concern (Note 2)		
Subsequent Events (Note 17)		
SHAREHOLDERS' EQUITY		
Common Shares (Note 8)	5,205,667	2,249,648
Share Purchase Warrants (Note 9)	1,459,361	637,008
Contributed Surplus (Note 11)	2,323,679	1,974,278
Currency translation adjustments	39,419	39,419
Deficit	(3,594,457)	(2,629,862)
	5,433,669	2,270,491
	6,305,074	2,414,399

APPROVED ON BEHALF OF THE BOARD

signed "Michael Sperinck"
Michael Sperinck, Director

signed "Peter Tanham"
Peter Tanham, Director

(The accompanying notes are an integral part of these consolidated financial statements.)

Luri Gold Limited
(A Development Stage Company)
Consolidated Statement of Shareholders' Equity
(expressed in Canadian dollars)

	Common Shares #	Common Shares \$	Contributed Surplus \$	Share Purchase Warrants \$	Deficit accumulated during the development stage \$	Currency Translation Adjustments \$	Shareholders' equity \$
Balance - October 31, 2005	300	350	1,342,540	-	(1,187,641)	39,419	194,668
Issuance	200	233	-	-	-	-	233
Issued to Stirling shareholders	6,790,000	-	-	-	-	-	-
Issuance in exchange of LGH shares	19,199,500	-	-	-	-	-	-
Net assets contributed by Stirling credited to share capital	-	423,175	-	-	-	-	423,175
RTO transaction costs	-	(72,256)	-	-	-	-	(72,256)
Issuance of shares on private placement, net of issuance costs of \$140,946	4,448,200	2,083,154	-	-	-	-	2,083,154
Valuation of warrants issued on private placement	-	(491,434)	-	491,434	-	-	-
Issuance of shares on public offering, net of issuance costs of \$79,500	1,000,000	420,500	-	-	-	-	420,500
Valuation of warrants issued on public offering	-	(110,500)	-	110,500	-	-	-
Valuation of agents warrants issued on public offering	-	(21,584)	-	21,584	-	-	-
Valuation of warrants issued as corporate finance fee on public offering	-	(13,490)	-	13,490	-	-	-
Issuance of shares pursuant to exercise of stock options	315,000	31,500	-	-	-	-	31,500
Decrease in LGH's contributed surplus	-	-	(151,764)	-	-	-	(151,764)
Stock option compensation expense (Note 11)	-	-	783,502	-	-	-	783,502
Loss for the period	-	-	-	-	(1,442,221)	-	(1,442,221)
Balance - October 31, 2006	31,753,200	2,249,648	1,974,278	637,008	(2,629,862)	39,419	2,270,491
Stock option compensation expense (Note 10)	-	-	392,765	-	-	-	392,765
Shares issued private placement, net of issuance costs of \$338,242 (Note 8(d))	11,764,705	3,661,758	-	-	-	-	3,661,758
Valuation of warrants issued on private Placement (Note 8(d))	-	(822,353)	-	822,353	-	-	-
Options exercised (Note 8(e))	146,500	73,250	-	-	-	-	73,250
Valuation of options exercised (Note 8(e))	-	43,364	(43,364)	-	-	-	-
Loss for the period	-	-	-	-	(964,595)	-	(964,595)
Balance - October 31, 2007	43,664,405	5,205,667	2,323,679	1,459,361	(3,594,457)	39,419	5,433,669

(The accompanying notes are an integral part of these consolidated financial statements.)

Luir Gold Limited
(A Development Stage Company)
Consolidated Statements of Operations and Deficit
(expressed in Canadian dollars)

For the years ended October 31	2007 \$	2006 \$
Revenue	-	-
Expenses		
Amortization	13,284	1,479
Consulting and advisory fees	-	158,279
Foreign exchange loss (gain)	61,599	(14,366)
General exploration expenses	66,928	
Insurance	30,716	6,935
Interest paid	-	4,116
Investor relations	101,896	56,484
Management fees	138,093	255,774
Office and administration	84,963	14,534
Professional fees	83,874	117,732
Stock-based compensation (Note 10)	392,765	783,502
Transfer agent and filing fees	28,930	35,455
Travel and accommodation	42,159	31,236
	<u>1,045,207</u>	<u>1,451,160</u>
Loss for the year before the undernoted	<u>(1,045,207)</u>	<u>(1,451,160)</u>
Interest Income	80,612	8,939
Net Loss for the year	<u>(964,595)</u>	<u>(1,442,221)</u>
Deficit - beginning of year	<u>(2,629,862)</u>	<u>(1,187,641)</u>
Deficit - end of year	<u><u>(3,594,457)</u></u>	<u><u>(2,629,862)</u></u>
Loss per Share - Basic and diluted	(0.02)	(0.05)
Weighted average number of common shares - Basic and diluted	43,664,405	28,068,511

(The accompanying notes are an integral part of these consolidated financial statements.)

Luir Gold Limited
(A Development Stage Company)
Consolidated Statements of Cash Flows
(expressed in Canadian dollars)

For the years ended October 31	2007 \$	2006 \$
Cash provided by (used in)		
Operating Activities		
Net loss for the year	(964,595)	(1,442,221)
Adjustments for non-cash items:		
Amortization	13,284	1,479
Stock-based compensation (Note 10)	392,765	783,502
Changes in non-cash working capital items:		
Amounts receivable	(301,820)	(361)
Advances and prepaid expenses	(171,883)	(7,218)
Accounts payable and accrued liabilities	727,498	56,970
Net cash used in Operating Activities	<u>(304,751)</u>	<u>(607,849)</u>
Financing Activities		
Issuance of common shares, in RTO	-	423,175
Conversion of Options	73,250	-
Issuance of common shares, for cash	4,000,000	2,755,833
Share issue costs	(338,243)	(292,702)
Net cash provided from Financing Activities	<u>3,735,007</u>	<u>2,886,306</u>
Investing Activities		
Expenditures on mineral properties	(3,481,860)	(399,645)
Acquisition of property and equipment	(52,428)	(44,491)
Net cash used in Investing Activities	<u>(3,534,288)</u>	<u>(444,136)</u>
Net (decrease) increase in cash and equivalents	(104,032)	1,834,321
Cash and equivalents - beginning of year	<u>1,842,230</u>	<u>7,909</u>
Cash and equivalents - end of year	<u>1,738,198</u>	<u>1,842,230</u>
Cash and equivalents consists of:		
Cash	695,756	338,352
Equivalents	1,042,442	1,503,878
	<u>1,738,198</u>	<u>1,842,230</u>
Supplemental information		
Interest and taxes paid	-	4,116
Issuance of warrants as offering costs (Note 8)	-	21,584
Issuance of warrants as listing costs (Note 8)	-	13,490

(The accompanying notes are an integral part of these consolidated financial statements.)

Luri Gold Limited

(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007 and 2006
(expressed in Canadian dollars)

1. Nature of Operations and Basis of Presentation

Luri Gold Limited (the "Company") was incorporated on February 3, 2004 in the Province of British Columbia under the British Columbia Business Corporations Act. The Company was set up as a capital pool company under the policies of the TSX Venture Exchange (the "Exchange") and was listed on the Exchange on June 8, 2004. Following the closing of the qualifying transaction on June 23, 2006, see Note 3, the principal business activity of the Company changed to become the acquisition, exploration and development of mineral properties. To date, the Company has not earned revenues and is considered to be in the development stage. The Company has entered into agreements in respect to properties in Zambia.

The Company is in the process of exploring its mineral property interests in Zambia, Continent of Africa, and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value, and the recoverability of the amounts shown for mineral properties, are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests. The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory requirements. Assets located outside of North America are subject to the risk of foreign investment, including currency exchange fluctuations and restrictions and political uncertainty.

2. Going Concern

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

As at October 31, 2007, the Company had no source of operating cash flow and has an accumulated deficit of \$3,527,528 (2006: \$2,629,862). Operations for the period ended October 31, 2007 have been funded primarily from the issuance of capital stock. The Company's ability to meet its obligations and continue as a going concern is dependent upon its ability to obtain additional financing, the discovery, development or sale of mining reserves and the achievement of profitable operations. The Company is planning to meet its future expenditures and obligations by raising funds through public offerings, private placements or by farm-outs of mineral properties. It is not possible to predict whether these efforts will be successful or whether the Company will attain profitable levels of operation.

Continued...

Luir Gold Limited

(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

3. Reverse Takeover of LG Holdings

On June 23, 2006, the Company completed the acquisition of all the outstanding common shares of LG Holdings Limited ("LGH"), in exchange for common shares of the Company. Pursuant to the terms of the Share Exchange Agreement entered into with LGH and its shareholders, the Company issued 19,200,000 common shares to acquire the 500 outstanding common shares of LGH.

The transaction constituted a Reverse Take-Over (the "RTO") of the Company by LGH under the policies of the TSX Venture Exchange (the "Exchange"). Upon completion of the transaction, the Company changed its name from Stirling Exploration Ltd. to Luir Gold Limited.

The acquisition of the shares of LGH has been accounted for as a reverse takeover transaction in accordance with guidance provided in Emerging Issues Committee ("EIC") Abstract No. 10. The Company did not qualify as a business for accounting purposes, and accordingly the transaction has been accounted for as an issuance of shares and warrants by LGH for the net monetary assets of the Company of \$423,175 (including cash of \$448,985), accompanied by a recapitalization of the Company.

Further to the RTO transaction described above, these consolidated financial statements for the years ended October 31, 2007 and 2006 reflect the assets, liabilities and results of operations of LGH, the legal subsidiary, prior to the reverse takeover and the consolidated assets, liabilities and results of operations of the Company and LGH subsequent to the reverse takeover. The consolidated financial statements are issued under the name of the legal parent (the Company), but are deemed to be a continuation of the legal subsidiary (LGH).

4. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principals. Outlined below are those policies considered particularly significant:

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries LGH, Luir Gold plc and Luir Gold Mines Ltd. All significant inter-company transactions and balances have been eliminated.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. The Company regularly reviews the estimates and assumptions that affect the consolidated financial statements and actual results could differ from those estimates. Significant areas where management judgment is applied are asset valuations, the allocation of proceeds on the purchase or sale of assets, the recoverability of exploration and development expenditures on mineral properties, the valuation of stock based compensation, warrants, tax accounts, asset retirement obligations, and contingent liabilities. In the opinion of management, all adjustments considered necessary for fair presentation of the results for the periods presented are reflected in the consolidated financial statements. Actual results could differ from those estimated.

Continued...

Luri Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

4. Significant Accounting Policies (Continued)

(c) **Mineral Properties**

Direct property acquisition costs, holding costs, field exploration and field supervisory costs relating to specific properties are deferred until the properties to which they relate are brought into production, at which time they will be amortized on a unit of production basis, or until the properties are sold, abandoned or allowed to lapse, at which time they will be written off.

Costs include the cash consideration paid and the fair market value of the shares as they are issued, if any, on the acquisition of exploration properties. Properties acquired under option agreements whereby payments are made at the sole discretion of the Company are recorded in the accounts at such time as the payments are made. The proceeds from options granted are applied to the cost of the related property and any excess is included in income for the year. Costs incurred for administration and general exploration that are not project specific, are charged to operations.

The recorded amounts for acquisition costs of properties and their related capitalized exploration and development expenses represent actual expenditures incurred and are not intended to reflect present or future values. The Company, however, reviews the capitalized costs on its properties on a periodic, or at least annual, basis and will recognize an impairment in value based upon the stage of exploration and/or development, work programs proposed, current exploration results and upon management's assessment of the future probability of profitable revenues from each property, or from the sale of the relevant property. Management's assessment of a property's estimated current fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

(d) **Foreign Currency Translation**

The Canadian dollar is the functional currency of the Company. The Company considers its Zambian operations to be integrated operations. As such, monetary assets and liabilities of the Company's foreign operations denominated in a currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate prevailing as at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Revenue and expenses are translated at the average exchange rates prevailing during the year, with the exception of depreciation and amortization which is translated at historical rates. Exchange gains and losses on translation are included in the Consolidated Statements of Operations.

(e) **Cash and Equivalents**

Cash and equivalents include cash on account and highly liquid investments with a remaining term to maturity of three months or less at the date of purchase.

(f) **Equipment**

Equipment is carried at cost less accumulated amortization. Amortization is provided on a diminishing value basis over their estimated useful lives at the following annual rates:

Equipment	15.0%
Motor Vehicles	22.5%
Office Furniture and Equipment	10.0% or 30.0%

Continued...

Luri Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

4. Significant Accounting Policies (Continued)

(h) (g) **Asset Retirement Obligations**

The Company's mineral exploration and development activities are subject to various Zambian laws and regulations regarding the protection of the environment. As a result of these, the Company is expected to incur expenses from time to time to discharge its obligations under these laws and regulations.

Reclamation and closure costs are estimated based on the Company's interpretation of current regulatory and operating licence requirements and measured at fair value. Fair value is determined based on the net present value of future cash expenditures expected upon reclamation and closure and subsequent annual recognition of an accretion amount on the discounted liability. Reclamation and closure costs are capitalized as property development costs and amortized over the life of the mine on a unit-of-production basis. Management is not aware of any legal obligations relating to the reclamation of its mineral properties.

(h) **Income Taxes**

The Company accounts for and measures the future tax assets and liabilities in accordance with the asset and liability method. Under this method, future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

(i) **Stock-based Compensation**

All stock-based payments have been accounted for using a fair value-based method of accounting. The fair value of each stock option is accounted for in operations, over the vesting period thereof, and the related credit is included in contributed surplus. If and when the stock options are ultimately exercised and are issued, the applicable units of additional paid-in capital and contributed surplus will be transferred to share capital. The fair value is calculated based on the Black-Scholes option pricing model. This model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable.

Common shares issued for non-monetary consideration are recorded at their fair market value based on the trading price of the Company's shares on the TSX Venture Exchange on the date of the agreement to issue the shares.

Continued...

Luri Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

4. Significant Accounting Policies (Continued)

(j) **Earnings (Loss) Per Share**

Basic earnings (loss) per share is computed by dividing the income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (loss) per share, according to the treasury stock method, assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings (loss) per share calculation. The diluted earnings (loss) per share calculation assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings (loss) per share. Stock options and share purchase warrants outstanding were not included in the computation of diluted earnings (loss) per share as their inclusion would be anti-dilutive.

(k) **Comparative Figures**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

5. Changes in Accounting Policy

On November 1, 2006, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Disclosure and Presentation*; and Section, *Hedges*. These new standards resulted in no changes to amounts previously reported.

(a) **Financial Instruments**

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

Continued...

Luri Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

5. Changes in Accounting Policy (Continued)

(b) Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

(c) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the year ended October 31, 2007, the Company had no hedges.

The application of these new standards has had no impact on the Company's consolidated financial statements as at and for the year ended October 31, 2007, and as such, a statement of comprehensive income has not been included in these consolidated financial statements.

Continued...

Luir Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

6. Mineral Properties

The cumulative costs of the Company's interest in its Zambian mineral properties are as follows:

	Year ended October 31 2007 \$	Year ended October 31 2006 \$
Acquisition costs		
Opening balance	78,296	-
Incurred in the period	-	78,296
Closing balance	<u>78,296</u>	<u>78,296</u>
Sampling and assays		
Opening balance	157,092	-
Incurred in the period	2,894,615	157,092
Closing balance	<u>3,051,707</u>	<u>157,092</u>
Labour		
Opening balance	45,080	-
Incurred in the period	155,885	45,080
Closing balance	<u>200,965</u>	<u>45,080</u>
Geological and reporting		
Opening balance	8,491	-
Incurred in the period	-	8,491
Closing balance	<u>8,491</u>	<u>8,491</u>
Project management fees		
Opening balance	95,009	-
Incurred in the period	248,429	95,009
Closing balance	<u>343,438</u>	<u>95,009</u>
Other		
Opening balance	89,258	-
Incurred in the period	182,931	89,258
Closing balance	<u>272,189</u>	<u>89,258</u>
Total	<u><u>3,955,086</u></u>	<u><u>473,226</u></u>

Luir Hill Project, Zambia

The Company holds two Prospecting Licenses (PL173 and PL209) and a Mining License (LML48) in Zambia, Continent of Africa. These three contiguous tenements together constitute the Company's "Luir Hill Project", which the Company is exploring for gold and copper-gold deposits.

Continued...

Luri Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

7. Equipment

	October 31, 2007			October 31, 2006		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Equipment	12,573	734	11,839	2,753	23	2,730
Motor Vehicles	69,713	12,275	57,438	35,626	1,374	34,252
Office Furniture and Equipment	14,633	1,754	12,879	6,112	82	6,030
	96,919	14,763	82,156	44,491	1,479	43,012

8. Share Capital

Authorized:

Unlimited number of common shares without par value.

Issued:

Common Shares	Number of Shares #	Amount \$
Balance, October 31, 2005	300	350
Issued	200	233
Issued to Stirling shareholders	6,790,000	-
Issued on exchange of LGH shares	19,199,500	-
RTO transaction costs	-	(72,256)
Net assets contributed by Stirling, credited to share capital	-	423,175
Issued pursuant to private placement (a)	4,448,200	2,224,100
Share purchase warrant valuation (a)	-	(491,434)
Issued pursuant to public offering (b)	1,000,000	500,000
Share purchase warrant valuation (b)	-	(110,500)
Offering costs, agent warrants (b)	-	(21,584)
Offering costs	-	(233,936)
Stock options exercised	315,000	31,500
Balance, October 31, 2006	31,753,200	2,249,648
Funds received for shares and warrants net of offering costs (d)	11,764,705	3,661,758
Share purchase warrant valuation allocation (d)	-	(822,353)
Options exercised (e)	146,500	73,250
Valuation of options exercised (e)	-	43,364
Balance, October 31, 2007	43,664,405	5,205,667

Continued...

Luir Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

8. Share Capital (Continued)

(a) Private placement

On June 15, 2006, the Company closed a non-brokered private placement of 4,448,200 units at a price of \$0.50 per unit for gross proceeds of \$2,224,100. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.75 per share, exercisable for a period of 2 years from the closing date. A finder's fee of 6% was paid.

The closing of the private placement formed part of the Company's Qualifying Transaction involving the acquisition of all the outstanding common shares of LGH, in exchange for common shares of the Company (Note 3).

(b) Public offering

On June 23, 2006, the Company completed a short form offering of 1,000,000 units at a price of \$0.50 per unit, for gross proceeds of \$500,000. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share for a period of two years at a price of \$0.75 per common share. The Company incurred offering costs that included a cash commission equal to 8% of the gross proceeds and granted agent's warrants to acquire up to 80,000 common shares at an exercise price of \$0.50 per common share for a period of up to 24 months.

The agent was also paid a corporate finance fee of \$25,000, and was issued a further 50,000 agent's warrants to acquire common shares at an exercise price of \$0.50 per common share for a period of up to 24 months.

(c) Escrowed shares

Pursuant to escrow agreements with the TSX Venture Exchange, the following holdings are the subject of escrow provisions:

- 2,100,000 of the Company's common shares issued prior to the qualifying transaction, with an initial 10% released on the issuance of the final Exchange bulletin ("Initial Release"), subject to a hold provision of 4 months, and an additional 15% to be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release; and
- 19,200,000 of the Company's common shares issued in terms of the qualifying transaction, with an initial 10% released on the issuance of the final Exchange bulletin ("Initial Release"), subject to a hold provision of 4 months, and an additional 15% to be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

As at October 31, 2007, 12,780,000 common shares remained in escrow.

(d) Private Placement

In April 2007 the Company completed a private placement of 11,764,705 units at a price of \$0.34 per unit for gross proceeds of \$4,000,000 of which \$822,353 was allocated to the value of the warrants. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable for two years at \$0.51 per common share. The Company incurred finder's fees of \$338,242 of which \$60,000 was allocated to the value of the warrants.

Continued...

Luir Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

8. Share Capital (Continued)

(e) Options Exercised

During June 2007, 146,500 options, issued to a former consultant, were exercised for gross proceeds of \$73,250. The estimated grant date fair value of those options, recorded as stock based compensation, was \$43,364.

9. Share Purchase Warrants

The following summarizes the share purchase warrant activity during the year:

	Number of Warrants #	Weighted Average Exercise Price \$ per share	Estimated Fair Value \$
Balance, November 1, 2005	-	-	-
Granted, private placement	2,224,100	0.75	491,434
Granted, public offering	500,000	0.75	110,500
Granted, agents' Warrants	80,000	0.50	21,584
Granted, corporate finance fees	50,000	0.50	13,490
Balance, October 31, 2006	2,854,100	0.74	637,008
Granted, private placement, net of issue costs of \$60,000	5,882,353	0.51	822,353
Balance, October 31, 2007	8,736,453	0.58	1,459,361

Summary of share purchase warrants outstanding at October 31, 2007:

Expiry Date	Warrants Outstanding #	Exercise Price \$ per share	Estimated Fair Value \$
June 15, 2008	2,224,100	0.75	491,434
June 23, 2008	500,000	0.75	110,500
June 23, 2008	80,000	0.50	21,584
June 23, 2008	50,000	0.50	13,490
May 25, 2009	5,882,353	0.51	822,353
	8,736,453		1,459,361

The fair value of each share purchase warrant granted was estimated at the date of grant using the Black-Scholes option pricing model, based on the following assumptions: expected dividend yield 0% (2006 - 0%); expected volatility 100% (2006 - 100%); risk-free interest rate 4% (2006 - 4%) and an expected life of two years (2006 - two years).

Option pricing models require the input of highly subjective assumptions. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing model does not necessarily provide a reliable measure of the fair value of the Company's warrants at date of grant.

Continued...

Luir Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

10. Stock-Based Compensation

The Company may grant incentive stock options to its officers, directors, employees and consultants, for the purchase of up to 10% of the outstanding number of common shares of the Company. Stock options are non-transferable. The Board of Directors of the Company determines the exercise price, but it may be no less than the current market price at the time of the grant. Options have a maximum term of five years and terminate 90 days after the termination of employment or other contracting arrangement of the option holder. Vesting of options may be at the time of granting of the option or over a period as set out in each option agreement. Once approved and vested, stock options are exercisable at any time until expiry or termination as above. The Company records the stock-based compensation expense over the vesting term of the options granted.

On June 23, 2006 and September 27, 2006, the Company granted stock options to its directors, officers, employees and consultants to acquire up to 2,646,500 common shares, exercisable for a period of five years at a price of \$0.50 per common share. The stock options vested immediately and \$783,502 was recorded as a compensation expense. On September 27, 2006, the Company also granted 300,000 stock options to an investor relations consultant, exercisable for a period of five years, at a price of \$0.50 per common share. The stock options vest as to 25% on each of December 27, 2006, March 27, 2007, June 27, 2007 and September 27, 2007 and will be recorded as a compensation expense over the vesting period, with \$88,815 being recorded in 2007 (2006 - \$Nil). On March 13, 2007, 146,500 options were issued to a director, exercisable for a period of five years at a price of \$0.40 per common share. The stock options vested immediately and \$43,950 was recorded as a compensation expense. On May 25, 2007, 1,000,000 options were issued to a director, exercisable for a period of five years at a price of \$0.38 per common share. The stock options vested immediately and \$260,000 was recorded as a compensation expense. The grant date fair value of options granted during 2007 was \$0.27 (2006 - \$0.30). The fair value of options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.9% (2006 - 3.9%) per annum, expected volatility of 100% (2006 - 100%), expected dividend rate of nil (2006 - nil) and an expected life of 5 years (2006 - 5 years).

The following summarizes the stock option activity during 2006 and 2007

	2007		2006	
	Number of Options #	Weighted average exercise price \$ per share	Number of options #	Weighted average exercise price \$ per share
Balance, November 1	3,051,500	0.49	420,000	0.10
Granted	1,146,500	0.38	2,946,500	0.50
Exercised	(146,500)	0.50	(315,000)	0.10
Expired or cancelled	(293,000)	-	-	-
Balance, October 31	3,758,500	0.45	3,051,500	0.49

Continued...

Luir Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

10. Stock-Based Compensation (Continued)

Summary of stock options outstanding as at October 31, 2007:

Expiry Date	Options Outstanding #	Options Exercisable \$	Exercise Price \$	Estimated Fair Value (Recorded) \$
June 3, 2009	105,000	105,000	0.10	-
June 23, 2011	2,207,000	2,207,000	0.50	653,394
September 27, 2011	300,000	300,000	0.50	88,815
March 13, 2012	146,500	146,500	0.40	43,950
May 25, 2012	1,000,000	1,000,000	0.38	260,000
	3,758,500	3,758,500		1,046,159

11. Contributed Surplus

The following summarizes the contributed surplus activity during the year:

	October 31 2007 \$	October 31 2006 \$
Balance, November 1	1,974,278	1,342,540
LGH contributions (adjustments)	-	(151,764)
Value of stock options exercised	(43,364)	-
Value of stock options granted/vesting	392,765	783,502
Balance, October 31	2,323,679	1,974,278

During 2005, shareholders of LGH made or pledged to make contributions to LGH of \$1,342,540. During 2006, the level of these required contributions was adjusted downwards by \$151,764.

Continued...

Luir Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

12. Financial Instruments

(a) Interest Rate and Currency Risk

Certain of the Company's expenditures are incurred in Zambian, United States and Australian currencies and are therefore subject to gains or losses due to fluctuations in these currencies relative to the Canadian dollar. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate or currency risks arising from financial instruments.

(b) Credit Risk and Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to credit risk, consist of cash and equivalents and amounts receivable.

The Company has no reason to believe credit loss will arise from any of the above financial instruments. The maximum amount of loss which may possibly be realized is the carrying value of the financial instruments.

(c) Fair Values

Canadian GAAP requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement, and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash and equivalents, amounts receivable and accounts payable and accrued liabilities on the balance sheet date approximate fair value because of the limited term of these instruments.

13. Related Party Transactions

Related party transactions occurred in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

At October 31, 2007, the Company had arrangements with a number of contractors to provide most of the administrative, accounting, management, and technical services required. Certain directors and significant shareholders provided management and consulting services to the Company.

Global Mining Services (Pty) Ltd., a private company controlled by the President and CEO of the Company, was paid \$185,604 in the year ended October 31, 2007 (2006 - \$210,586 including a special bonus paid upon the achievement of pre-agreed milestones of \$61,337), for the services of the Company's President and CEO. Included in accounts payable and accrued liabilities at October 31, 2007 is \$16,821 (2006 - \$14,475) owing to this corporation.

Westland Corporate Pty Ltd, a private company which employs the CFO of the Company, was paid \$38,819 in the year ended October 31, 2007 for the services of the Company's Chief Financial Officer (2006 - \$10,020).

1693467 Ontario Inc., a private company controlled by the Company's now former Vice President, Finance, was paid \$23,375 in the year ended October 31, 2007 for the services of the Company's now former Vice President, Finance (2006 - \$21,560).

Continued...

Luri Gold Limited
 (A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

13. Related Party Transactions (Continued)

St. George Minerals Limited, a private company that has a common director of the Company, was paid \$63,365 (2006 - \$11,816) office facilities and administrative services to the Company. Included in accounts payable and accrued liabilities at October 31, 2007 is \$7,650 (2006 - \$921) owing to this corporation.

The G143 Trust is an entity in which the Chairman has an interest and significant management influence. In April 2007 the trust purchased 588,235 units in the private placement as detailed in note 9(d).

Silverbridge Capital Inc., a limited market dealer that had a common director of the Company, was paid \$150,000 for consulting services to the Company and \$118,446 in commission on funds raised in the private placement of June 2006.

1704805 Ontario Inc., a private company controlled by the former Vice-President, Investor Relations, of the Company, was paid \$Nil (2006 - \$13,608) for the services of the Company's now former Vice-President, Investor Relations.

14. Segmented Information

The Company considers its business to consist of two geographical segments, Zambia and the corporate head office in Canada.

Geographic segmentation of the Company's assets is as follows:

	October 31 2007 \$	October 31 2006 \$
Canada	1,607,902	1,806,703
Zambia	4,697,172	607,696
	6,305,074	2,414,399

Continued...

Luri Gold Limited
(A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

15. Income Taxes

(a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of approximately 36% (2006 - 36%) were as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
Loss before income taxes	<u>964,595</u>	<u>1,442,221</u>
Expected income tax benefit based on statutory rate	347,000	519,000
Adjustments to benefit resulting from:		
Share issue costs	122,000	105,000
Future income tax assets acquired as part of RTO	-	60,000
Stock-based compensation	(141,000)	(282,000)
Differences in income tax rates	(35,000)	(115,000)
Other	(23,000)	(9,000)
Change in tax rate	(57,000)	-
Non-deductible items	(32,000)	-
Valuation allowance	<u>(181,000)</u>	<u>(278,000)</u>
Provision for income taxes	<u>-</u>	<u>-</u>

(b) Future Income Tax Balances

The tax effects of temporary differences that give rise to future income tax assets and liabilities in Canada approximate the following:

	<u>2007</u>	<u>2006</u>
	\$	\$
Future income tax assets (liabilities)		
Non-capital losses	2,019,000	671,000
Mineral properties	(1,384,000)	(166,000)
Fixed assets	(7,000)	(3,000)
Share issue costs	149,000	94,000
Valuation allowance	<u>(777,000)</u>	<u>(596,000)</u>
	<u>-</u>	<u>-</u>

Continued...

Luir Gold Limited
 (A Development Stage Company)
Notes to Consolidated Financial Statements
October 31, 2007
(expressed in Canadian dollars)

15. Income Taxes (Continued)

(c) Income Tax Loss Carry-Forwards

The following table summarizes the non-capital losses of the Company in Canada and Zambia, along with their expiry dates, which may be used, under certain circumstances, to reduce taxable income of future years:

<u>Expiry Date</u>	<u>Canada</u>	<u>Zambia</u>
	\$	\$
2009	-	3,000
2010	-	904,000
2011	-	411,000
2012	-	3,367,000
2014	19,000	-
2015	107,000	-
2026	457,000	-
2027	582,000	-
	<u>1,165,000</u>	<u>4,685,000</u>

16. Commitments and Contingencies

Under the terms of non-cancellable operating leases, the Company is committed to rental payments of \$17,500 due within one year.

17. Subsequent Event

Subsequent to October 31, 2007, the Company completed a private placement of 6,000,000 units for gross proceeds of \$3,000,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for one common share for a period of two years at a price of \$0.75. A finder's fee of \$225,000 will be paid in relation to this private placement.

LUIRI GOLD LIMITED
For the year ended October 31, 2007

Management's Discussion and Analysis

(All amounts stated in Canadian dollars, unless otherwise indicated)

This annual report, including the consolidated financial statements and this MD&A contains certain "Forward-Looking Statements", which are prospective and reflect management's expectations regarding Luiiri Gold Limited ("Luiiri Gold")'s future growth, results of operations, performance and business prospects and opportunities. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, exploration results and future plans and objectives of Luiiri Gold are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Luiiri Gold's expectations are disclosed in its documents filed from time to time with the TSX Venture Exchange and other regulatory authorities and include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore to be mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Luiiri Gold undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Introduction

This Management's Discussion and Analysis, dated January 28, 2008, of the operating results and financial condition of Luir Gold Limited ("**Luir Gold**", or the "Company") for the year ended October 31, 2007 should be read in conjunction with the audited consolidated financial statements for the same period, and is intended to provide the reader with a review of the factors that affected the Company's performance during the year ended October 31, 2007, and the factors reasonably expected to impact future operations and results.

The audited consolidated financial statements and related notes of Luir Gold have been prepared in accordance with Generally Accepted Accounting Principles in Canada ("**Canadian GAAP**") and are expressed in Canadian dollars. All amounts in this report are in Canadian dollars, except where otherwise indicated.

Qualified Person

The Luir Gold exploration programmes and resource calculations are carried out under the supervision of the Company's President and Chief Executive Officer, Mr. Michael Sperinck. Mr. Sperinck meets the qualified person requirements (as defined by National Instrument 43-101) with more than 25 years of experience in the mining industry and is responsible for the geoscientific and technical disclosure contained in this document.

Background

The Company was incorporated as Stirling Exploration Ltd. on February 3, 2004 in the Province of British Columbia under the British Columbia Business Corporations Act. On June 23, 2006, the Company's name was changed to Luir Gold Limited, and its common shares commenced trading on Tier 2 of the Exchange under the trading symbol "**LGL**". The Company is classified as a development stage company.

The Company maintains operational offices in Lusaka, Zambia and Perth, Western Australia and a corporate office at Suite 500, 357 Bay Street, Toronto, Ontario, Canada M5H 2T7.

Nature of Business

Luir Gold is a developing gold resource company creating shareholder value through the acquisition, exploration and development of gold opportunities in Africa. Currently, Luir Gold's wholly-owned Zambian subsidiary, Luir Gold Mines Limited ("**Luir Gold Mines**"), holds mineral tenements within southern-central Zambia covering approximately 2,400 square kilometres focused on the historic Dunrobin and Matala gold mines collectively called the Luir Hill Project. The Company is also pursuing other interests in Africa.

Significant Events and Transactions

Corporate Activity

In April 2007, Luiiri Gold entered into a Memorandum of Understanding with Strata Capital UK LLP (“Strata”), a London based partnership to support the strategy to expand into a geographically diversified African gold resource company with assets potentially ranging from producing mines and near term production to exploration properties (the “Strategy”). In line with this strategy, Luiiri will attempt to acquire a producing mine or near term producing project within the next six to twelve months (the “Major Asset”). Luiiri will have an experienced and respected management team and market support through Strata to implement the Strategy.

As part of the alliance, Strata successfully undertook a private placement on behalf of Luiiri Gold comprising a total of 11,764,705 units at a price of \$0.34 per unit (the “Units”) resulting in gross proceeds to Luiiri of \$4 million. Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for one common share for a period of two years at a price of \$0.51 per share. Luiiri paid Strata total fees equal to \$300,000 relating to this placement. The Units are subject to a statutory hold period of four months from the date of closing.

As part of the new strategy, Luiiri Gold appointed Mr. Ted Grobicki as Chairman of the Board. Mr. Grobicki brings many years of experience to the Board. He retired in May 2006 from the position of Executive Director at Harmony Gold Mining Company, the fifth largest gold mining company in the world, where he had held several senior executive roles in South Africa, Australia and Canada respectively. He was part of the team that envisaged and executed the strategies and actions which transformed Harmony from a lease-bound loss-making company into one of the largest and most dynamic integrated gold mining enterprises in the world.

Strata are a London based investment partnership specializing in investments in the mining and metals sector run by Mr. Michael Haworth. Prior to founding Strata, Mr. Haworth was a Managing Director at JPMorgan in London and was responsible for the mining and metals team. Mr. Haworth has extensive experience in global mining M&A transactions.

In addition to providing financial support for the company, Strata will also offer a number of gold exploration projects in Africa over which it has control to Luiiri for purchase based on a fair and reasonable market value being agreed.

Exploration Update

Luiiri Gold Mines Limited was incorporated under the laws of Zambia in 2003 and is a gold and copper-gold exploration company that holds the Zambian Prospecting and Mining licenses which cover approximately 2,400km² in south-central Zambia.

The Luiri tenements comprise two granted Prospecting Licenses (PL173 and PL209) and a single granted Mining License (LML48) which covers approximately 34km² and includes the Dunrobin Mine and the Matala mine. The gold and copper-gold interests in these three contiguous tenements together constitute the “Luiri Hill Project”. The Luiri Hill Project is situated approximately 120km west-northwest of the Zambian capital of Lusaka in Zambia’s Central Province. Access to the Project area is by a newly upgrade bitumen road from Lusaka. The Nambala Iron Project is situated on the PL209 license and is a further 20km west.

Luiri Hill Project

The area has significant potential for gold occurrences both related to the Matala Dome mineralized structure where the Matala and Dunrobin deposits are being drilled, and the surrounding Katangan rocks where there is potential for iron oxide copper-gold (“IOCG”) style mineralization. At the Matala and Dunrobin deposits there is strong evidence to suggest that the mineralization may be traced significantly beyond the existing drill defined mineralization limits.

Matala deposit

The Matala deposit is a thin tabular sub-vertical high grade deposit associated with a brecciated shear zone within the Matala Dome.

Dunrobin deposit

The Dunrobin deposit is a shallow thick tabular plunging orebody dipping at approximately 30 degrees to the south-west on the contact between the Matala Dome and the surrounding Lusaka Formation carbonates.

The Luiri Hill Project area is adjacent to ground held by BHP Billiton in Joint Venture with AIM Resources. This consortium has been actively exploring for iron oxide gold-copper (“IOCG”) mineral occurrences. The existence of this style of copper-gold deposits in Zambia has been confirmed by independent research, which highlighted similarities between the Dunrobin gold deposit and the Kansanshi copper-gold project of First Quantum, where a Measured and Indicated Mineral Resource of over 3 million tonnes of copper and 1.6 million ounces of gold has been defined. Other major resource companies are also active in the region.

Gold Mineral Resources

The new mineral resource estimates show an increase of 76% in total gold ounces with the total inferred mineral resource increasing from 173,000 ounces to 378,000 ounces and the total indicated mineral resource increasing from 108,000 ounces to 117,000 ounces. These mineral resource ounces are contained in 3.2 million tonnes at 3.7g/t for the inferred category and 1.8 million tonnes at 2.0 g/t for the indicated category.

The Company has lodged an updated Technical Report according to the requirements of the National Instrument 43-101.

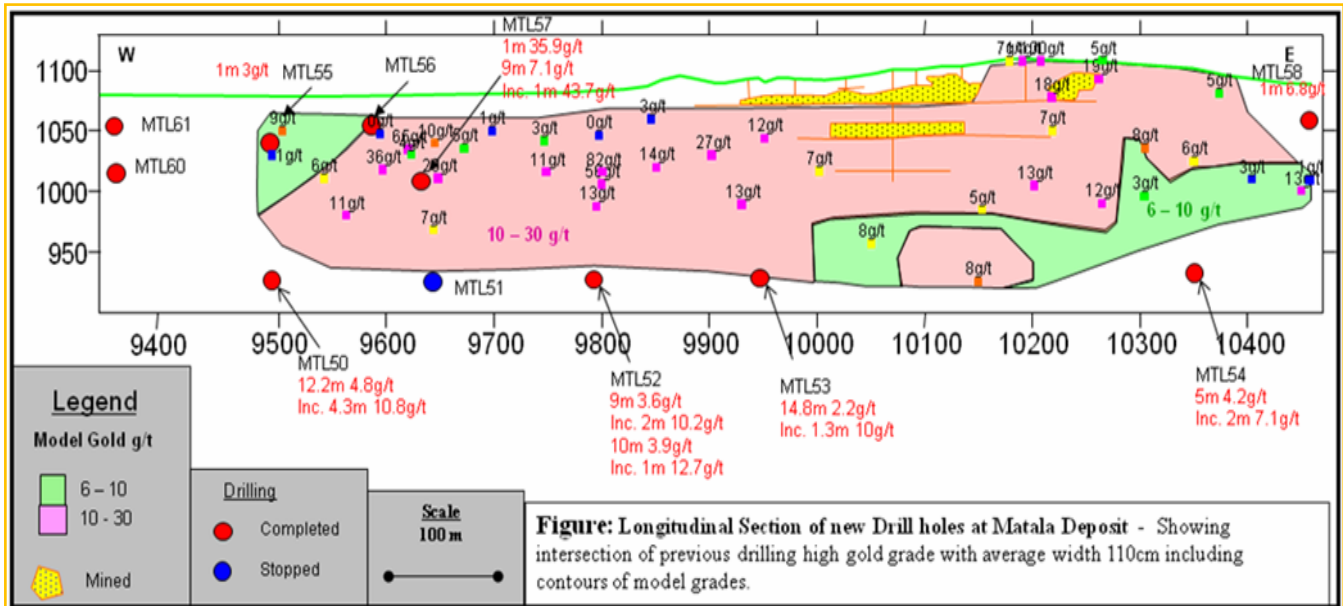
Nambala Iron Project

A preliminary report from RSG Global states that while there was limited technical information, assuming a saleable product can be produced, there is potential to establish an economically viable operation. Initial modeling by RSG Global estimated that there is the potential to obtain a mineralized iron tonnage of between 100 million to 300 million tonnes*. Due to the uncertainty on the extent of the mineralization and the potential elevated levels of silica and phosphorus, they recommend that an initial drilling programme be undertaken.

- Note that the potential quantity and grade is conceptual in nature, and there is insufficient exploration to define a mineral resource and therefore it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Drilling and Resources

In March 2007, the company completed a 4,159m combined RC and diamond core drilling programme at the Dunrobin and Matala gold deposits. Based on the success of this drilling, a plus 8,000m programme of extension drilling is in progress with 34 drill holes planned at Dunrobin and Matala deposits. Due to the shortage of RC drill rigs, two diamond rigs have been secured and are operating at both deposits. The drilling should be completed by the



end of 2007.

Matala Deposit Drilling

At the Matala deposit (Figure 1 attached), four drill holes that were planned to intersect extensions to the deposit at 150m below surface all intersected gold mineralization in the breccia structure over a 1km strike length below the current resource model. All four drill holes have returned positive gold grade intersections including: a 4.3m intersection of 10.8g/t (within 12.2m of 4.8g/t) from 244m down hole depth in MTL50; 2m of 10.2g/t (within 9m of 3.6g/t) and a 1m intersection of 12.7g/t (within 10m of 3.9g/t) from 180m down hole depth in MTL52; a 1.3m intersection of 10g/t (within 14.8m of 2.2g/t) from 182m down hole depth in MTL53; and a 2m intersection of 7.1g/t (within 5m of 4.3g/t) from 221m down hole depth in MTL54.

Figure 1: Matala deposit.

Matala Mineral Resources

The Matala mineral resource is estimated in terms of two options, a full intersection option using a cutoff grade of 0.5 g/t to define the limits of mineralization over the drill hole intersection, and a high grade option using a cut-off grade of 5.0 g/t. The resulting grade tonnage report for the estimate and the resulting classification is summarized in Table 1.

The official mineral resource statement is based on the 3 g/t of the Full Intersection case.

Table 1: Mineral Resource Estimate Matala: July 2007						
	Cutoff (g/t)	Inferred				
		Tonne s (Kt)	Width (m)	Accumulation (mgt)	Gold (g/t)	Content s (Kozs)
Full Intersection	0.5	3,292	5.7	22.0	3.9	413
	2	3,232	5.7	22.3	3.9	405
	3	2,595	5.7	24.0	4.2	350
High grade Intersection	5	724	1.2	15.0	12.1	282
	10	620	1.3	15.6	12.5	249

NOTE: The high grade resource is fully contained within the full intersection

Dunrobin Deposit Drilling

At the Dunrobin deposit (Figure 2), a number of drill holes have returned very positive mineralized intersections including a 26m intersection of 2.1g/t from 97m down hole depth in DUN87 (including 2m at 12.6g/t), a 18m intersection of 2.2g/t from 121m down hole depth in DUN101 (including 5m at 5.0g/t) and a 17m intersection of 3.4g/t from 121m down hole depth in DUN102 (including 4m at 9.8g/t). These holes were all down dip of the current deposit limits.

The results have confirmed the continuation of the mineralization at depths below 100m over a 150m strikelength. The results show that there is also the potential for a thin high grade zone within the broader mineralization zone below the area where historical underground operations mined a single high grade vein deposit.

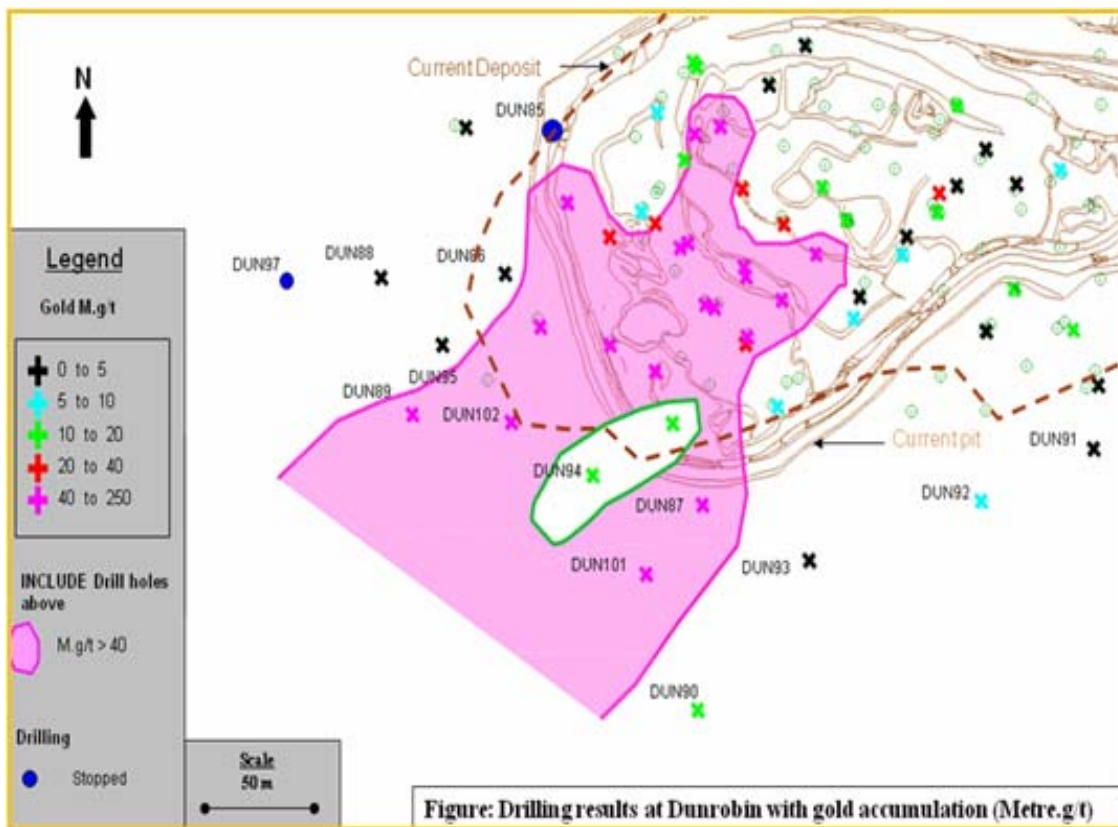


Figure 2: Dunrobin deposit.

Dunrobin Mineral Resources

The Dunrobin mineral resource estimate includes the Dunrobin deposit which is a shallow thick tabular plunging deposit dipping at approximately 30° to the south-west on the contact between the Matala Dome and the surrounding Lusaka Formation. The resource was estimated with respect to two mineralization domains – the Main Ore domain and a smaller Hanging Wall domain. The domains were defined or modeled by applying a 0.3 g/t gold cut-off.

The resulting grade tonnage report for the estimate and resulting classification is summarized in Table 2. The mineral resource statement is based on the 0.5 g/t cutoff.

Table 2 :Mineral Resource Estimate Dunrobin: July 2007						
Cutoff (g/t)	Indicated			Inferred		
	Tonnes (Kt)	Gold (g/t)	Contents (Kozs)	Tonnes (Kt)	Gold (g/t)	Contents (Kozs)
0.5	1,826	2.0	117	618	1.4	28
1	1,273	2.5	104	295	2.1	20
1.5	856	3.2	88	187	2.6	16

Regional Soil Geochemical Sampling

The analysis of the soil geochemical sampling has identified several new potential targets. With positive results of the current drilling programme showing the potential at the Matala deposit, the most encouraging is the indication that the Matala deposit is on a continuous soil anomaly and structure that increases in the west (Figure 3). Luri Gold has now three targets on the Matala structure, the Matala deposit itself, the Matala extension, and the Far west Matala extension. Follow up work has commenced.

The results are very encouraging as they confirm the Luri Gold belief that the region has the potential to produce significantly larger targets than have been identified previously. Luri Gold is using modern and systematic exploration techniques that have not been employed in this area in the past. The anomalies identified to date occur within a 10km radius of the Dunrobin and Matala.

In line with the potential for IOCG style mineralization on the greater exploration license, regional exploration programmes will continue including a 0.5 km² soil sampling grid over the total remaining 2,400 square kilometers which should be completed by the end of 2007. Drilling on an adjoining exploration license held by AIM Resources, an ASX listed company, in joint venture with BHP Billiton, has resulted in a major copper intersection in one of its drill holes (ASX, Press Release - 22nd May 2007) yielding 655.4m at 0.46% Cu (including 18m at 0.20g/t Au) on their Mumbwa IOCG project.

Reporting Period

At October 31, 2007, the Company had net working capital of \$1,396,427 (October 31, 2006 \$1,754,253).

Exploration Expenditures

Mineral exploration costs, which now form the bulk of the Company's expenditures, included the geochemical soil sampling programmes (including labour costs and sample analysis), the geophysics study, the recently initiated drilling programme, geological consulting and project management.

Exploration expenditures capitalized to date are as follows:

	<u>Year ended October 31, 2007</u>	<u>Year ended October 31, 2006</u>
Acquisition costs	78,296	78,296
Sampling and assays	3,051,707	157,092
Labour	200,965	45,080
Geological and reporting	8,491	8,491
Project management fees	343,438	95,009
Other expenses	272,189	89,258
Labour	200,965	45,080
Total costs capitalized	\$ 3,955,086	\$ 473,226

Significant Expenses

(a) For the year ended October 31, 2007

The net loss for the year ended October 31, 2007 was \$964,595 compared with a loss of \$1,442,221 in the year ended October 31, 2006.. The decrease in net loss is primarily attributable to the decrease in stock-based compensation expense recorded as compared to that recorded for the year ended October 31, 2006. A total of 1,146,500 stock options were granted during the year ended October 31, 2007 compared to a total of 2,946,500 options granted during the year ended October 31, 2006.

The principal component of the net loss for the period was \$392,765 (2006:\$783,502) of stock based compensation. This amount was calculated in accordance with generally accepted accounting principles in Canada, whereby the fair value of the stock options granted was determined at the time of the grant and expensed over the vesting term, in this case immediately, in terms of the Black-Scholes option pricing model. The following assumptions were applied: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 3.9% and an expected life of 5 years. The exercise price of all share purchase options granted was greater than or equal to the market price at the grant date.

Other significant expense categories included: management fees of \$138,093 (2006:\$255,774) and investor relation's costs of \$101,896 (2006:\$56,484), the first of which declined due to a reduction in the number of the Company's officers, while the second category exhibited an increase due to a contractual relationship with an outside Investor Relations firm, which was in place for the full 12 months for the year ended October 31, 2007, but only for a part of the year that ended October 31, 2006 .

Consulting and advisory fees in for the current year were \$nil, (2006:\$158,279) due to a one time expense to Silverbridge Capital which was recognized in the prior year's records, while no corresponding expense was incurred in the year ended October 31, 2007.

The current year's loss is also reduced as a result of the recording of \$80,612 of interest income on funds invested, while the corresponding amount of interest income for the year ended October 31, 2006 was \$ 8,939, as well as the recording of a loss of \$61,599 on foreign exchange in the current period, as compared to a gain on foreign exchange of \$14,366 in the corresponding period ended October 31, 2006.

(b) For the three months' ended October 31, 2007

The net loss for the three months ended October 31, 2007 was \$192,600 (October 31, 2006 net loss of \$323,918), the largest item which comprised this difference in results was for management fees, which were \$25,086 for the three months ended October 31, 2007, and \$124,993 for the corresponding three month period one year ago. This variance arose because of the reduction in the numbers of officers of the company, and their corresponding compensation expense, which had taken place in the second quarter of 2007.

Another factor that contributed to the reduced losses for the three month period ended October 31, 2007 was the larger amount of interest income recorded, \$31,122, versus \$1,979 of interest income for the three months ended October 31, 2006. This was the result of higher cash balances following a financing that had taken place in mid 2007.

For the 3 months ended October 31, 2007 Investor relations were \$22,337, as compared to \$55,131 for the three months ended October 31, 2006, this variance is represented by the commencement of a relationship with an outside Investor relations consulting firm as discussed above, and foreign exchange losses for the quarter amounted to \$37,397, while they were limited to \$3,567 for the corresponding period one year earlier.

Summary of Results

Selected financial information for the quarters for the years 2005, 2006 and 2007 is tabulated below.

(In thousands of Canadian dollars, except per share amounts)

Fiscal Period	Revenue	Net Loss	Earnings / (Loss) per Share (\$)		Total Assets	Total L.T. Liab.	Dividends
			Basic	Diluted			
2007 – Q4	-	(192)	(0.01)	(0.01)	6,305	-	-
2007 – Q3	-	(409)	(0.01)	(0.01)	5,699	-	-
2007 – Q2	-	(217)	(0.01)	(0.01)	3,352	-	-
2007 – Q1	-	(146)	(0.00)	(0.00)	2,449	-	-
Total	-	(964)	(0.02)	(0.02)	N/A	N/A	-
2006 – Q4	-	(324)	(0.01)	(0.01)	2,414	-	-
2006 – Q3	-	(968)	(0.03)	(0.03)	2529	-	-
2006 – Q2	-	(13)	(0.00)	(0.00)	70	-	-
2006 – Q1	-	(137)	(0.00)	(0.00)	105	-	-
Total	-	(1,442)	(0.05)	(0.05)	N/A	N/A	-
2005 – Q4	-	(270)	(0.01)	(0.01)	208	-	-
2005 – Q3	-	(305)	(0.02)	(0.02)	382	-	-
2005 – Q2	-	(286)	(0.01)	(0.01)	384	-	-
2005 – Q1	-	(322)	(0.02)	(0.02)	342	-	-
Total	-	(1,183)	(0.06)	(0.06)	N/A	N/A	-

Liquidity

The following table summarizes the Company's cash flows and cash on hand:

	October 31, 2007	October 31, 2006
	\$	\$
Cash	1,738,198	1,842,230
Working capital	1,396,427	1,754,253
Cash (used in)/ generated by operating activities	(304,751)	(607,849)
Cash used in investing activities	(3,534,288)	(444,136)
Cash provided by financing activities	3,735,007	2,886,306

The Company does not currently own or have any interest in any producing mineral properties and does not derive any revenue from operations. The Company will continue to require funds for ongoing exploration work and to meet its ongoing day to day operating requirements and will have to continue to rely on equity financing during such period. Historically, the Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available or can be attained.

In May 2007, the Company closed a non-brokered private placement of 11,764,705 units at a price of \$0.34 per unit for gross proceeds of \$4,000,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.51 per common share, exercisable for a period of 2 years from the closing date. A finder's fee of 7.5% or \$300,000 was paid to Strata Capital LLP.

In June 2007, a total of 146,500 options were exercised by a former executive for gross proceeds to the Company of \$73,250.

Board of Directors and Management

In January 2007 Mr. Glenn Laing resigned as a director due to other work commitment and in April 2007 Mr. Ted Grobicki was appointed as non-executive chairman.

Mr. Ted Grobicki – non-executive Chairman

Mr. Grobicki brings many years of experience to the Board. He retired in May 2006 from the position of Executive Director at Harmony Gold Mining Company, the fifth largest gold mining company in the world, where he had held several senior executive roles in South Africa, Australia and Canada. He was part of the team that envisaged and executed the strategies and actions that transformed Harmony from a lease-bound loss-making company into one of the largest and most dynamic integrated gold mining enterprises in the world.

Mr. Michael Sperinck – Director, President and Chief Executive Officer

Mr. Sperinck was formerly the Managing Director of LGH, prior to which he was Manager Technical Services and a Principal Resource Consultant with RSG Global, Perth, Western Australia during the period 2001 to 2004. Prior to joining RSG Global's Perth office, Mr. Sperinck was a Member of the Executive Committee, and Manager, Resources and Reserves for Randgold Resources based in Johannesburg, South Africa. Mr. Sperinck resides in Perth, Western Australia.

Mr. Peter Tanham – Director, Chief Financial Officer

Mr. Tanham is a Certified Practicing Accountant and was formerly the Chief Financial Officer of LGH. He has over 21 years of financial and accounting management experience in a number of industries including finance, mining, sporting and auditing. Mr. Tanham resides in Perth, Western Australia.

Mr. Gordon Richards – non-executive Director

Mr. Richards is a Professional Engineer and a member in good standing with the Association of Professional Engineers and Geoscientists. He is a self-employed consulting geologist, since 1997 and has been involved in mining and mineral exploration throughout North America. He has provided consulting services to and/or been a director of a number of mineral exploration companies. Mr. Richards is a resident of Delta, British Columbia, Canada.

Mr. Richard Billingsley – non-executive Director

Mr. Billingsley is a mineral explorationist who acquired extensive experience in geochemical sampling and geophysical fieldwork early in his career. During the late 1990's, Mr. Billingsley specialised in restructuring mining companies, and developed a sophisticated land management system for the province of British Columbia. Mr. Billingsley resides in Surrey, British Columbia, Canada.

Investor Relations

In September 2006, Luiiri Gold retained First Canadian Capital Corp. (“FCCC”) as a consultant to provide strategic marketing and corporate communications. FCCC is based in Toronto and was founded ten years ago to provide investor relations and market awareness services to public companies in Canada. Under the terms of the agreement, Luiiri Gold will pay FCCC \$6,000 per month and has granted FCCC 300,000 stock options with a strike price of \$0.50. The options will vest according to Exchange policy. FCCC has been appointed to raise Luiiri Gold’s profile and generate greater market understanding of the Company’s potential through productive and continuing dialogue with private investors, analysts, brokers and other financial professionals.

Critical Accounting Policies and Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the financial statements, as well as the reported amounts of revenues earned and expenses incurred during the period. These estimates are based on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The Company’s significant accounting policies are those that affect its consolidated financial statements, and are summarized in Notes 4 and 5 of the audited consolidated financial statements for the year ended October 31, 2007. Critical accounting policies and estimates in the period included capitalization of the costs relating to the acquisition, exploration and development of non-producing resource properties and the recognition of impairment of those assets, the allocation of proceeds on the purchase or sale of assets, the valuation of stock based compensation, warrants and tax accounts, contingent liabilities and the choice of Canadian GAAP.

Mineral Properties

The decision to capitalize exploration expenditures, and the timing of the recognition that capitalized exploration is unlikely to have future economic benefits, can materially affect the reported earnings of the Company. Luiiri Gold follows Canadian GAAP. In line with accepted industry practice for exploration companies, the Company has adopted the policy of deferring property specific acquisition, exploration and development costs. Deferred costs relating to properties that are relinquished, or where continued exploration is deemed inappropriate, are written off in the period such assessment is made. If Luiiri Gold adopted a policy of expensing all exploration costs, the Company’s asset base, shareholders’ equity, and loss from operations would be materially different. These deferred costs will be amortized on the unit-of-production basis over the estimated useful lives of the properties following the commencement of production.

The cost of mineral properties includes any cash consideration paid, and the fair market value of shares issued on the acquisition of property interests, if any. The recorded amounts represent actual expenditures incurred and are not intended to reflect present or future values. The Company reviews capitalized costs on its property interests on a periodic, or at least annual, basis and will recognize an impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from the sale of the property. Management's assessment of the property's estimated current fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

Asset retirement obligations

The Company is required to record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its exploration, development or mining properties. This amount is initially recorded at its discounted present value, with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to mineral properties and deferred exploration costs and amortized over the useful life of the properties. The Company does not currently have any material legal obligations relating to the reclamation of its mineral properties; although rehabilitation of historical workings could be considered as part of future development plans.

Risks & Uncertainties

Luir Gold's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Luir Gold's common shares should be considered speculative.

Nature of Mineral Exploration and Development Projects

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. Luir Gold's properties are in the exploration stage and at present do not contain a known body of commercial ore. Exploration to date has delineated an initial gold resource and the proposed exploration programmes include both a programme to expand the known resource to form the basis for a sustainable mining operation, as well as an exploratory search for new deposits. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programmes, which may be affected by a number of factors that are beyond the control of the Company.

The Company's operations are subject to all the hazards and risks normally associated with the exploration for gold and copper, any of which could result in damage to life, or property, or the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment or machinery, labour disputes or adverse weather conditions. Although the Company maintains insurance to cover normal business risks, the availability of insurance for many of the hazards and risks is extremely limited or uneconomical at this time. Through high standards and continuous improvement, Luiji Gold works to reduce these risks.

The Company's operations are also subject to the additional risks associated with operating in Africa. All of Luiji Gold's property interests are located in Zambia and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability in that country. Zambia's economy continues to strengthen and the Government continues to foster and promote political stability. The incumbent president, Mr. Mwanawasa, was returned in fairly closely contested recent elections. While there were minor disturbances, these have passed. Mineral exploration and mining activities may be affected to varying degrees by political stability and government regulations relating to the mining industry, including restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation, employment practices and mine safety. Any changes in regulations or shifts in political attitudes are beyond Luiji Gold's control and may adversely affect the Company's business. The Company, at present, does not maintain political risk insurance for its foreign operations.

In the event the Company is fortunate enough to discover additional gold (or other mineral) resources, the economics of commercial production depend on many factors, including the cost of operations, the grade of the gold and any other associated minerals, proximity to infrastructure, metal prices, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial production.

The profitability of the Company's operations will be dependent, inter alia, on the market prices of gold and copper, which are affected by numerous factors beyond the control of the Company, including international economic and political conditions, levels of supply and demand, and international currency exchange rates.

Success in establishing reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land available for exploration, the availability of suitable contractors, and other factors.

If mineralization is discovered, it may take several years in the initial phases of exploration until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves through drilling, to determine the optimal metallurgical process and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programmes will result in the establishment or expansion of resources or reserves.

Financing risk, until such time as the Company is cash flow positive

In the absence of cash flow from operations, Luiji Gold relies on the capital markets to fund operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. Failure to obtain such additional finance could result in delay or the indefinite postponement of further exploration and the development of the Company's properties.

Licenses and Permits, Laws and Regulations

Luiji Gold's exploration activities require permits from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. Luiji Gold draws on the expertise and commitment of its management team, their advisors, its employees and contractors to ensure compliance with current laws and fosters a climate of open communication and co-operation with regulatory bodies.

The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Government approvals and permits are required in connection with the exploration activities proposed for the Properties. To the extent such approvals are required and not obtained, the Company's planned exploration, development and production activities may be delayed, curtailed, or cancelled entirely.

Failure to comply with applicable laws, regulations and requirements may result in enforcement action against the Company, including orders calling for the curtailment or termination of operations on the properties, or calling for corrective or remedial measures requiring considerable capital investment. Parties engaged in mineral exploration and mining activities may be subject to civil and criminal liability as a result of failure to comply with applicable laws and regulations.

Amendments to current laws, regulations and permitting requirements affecting mineral exploration and mining activities could have a material adverse impact on the Company's operations and prospects.

Conflicts of Interest

Certain of the Company's directors, officers and significant shareholders are or may become shareholders, directors and/or officers of other natural resource companies, and, to the extent that such other companies may participate in ventures with the Company, these individuals may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or of its terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which one or more directors or officers may have a conflict. From time to time, the Company, together with several other companies, may be involved in a joint venture opportunity where several companies participate in the acquisition, exploration and development of natural resource properties, thereby permitting the Company to be involved in a greater number of larger projects with an associated reduction of financial exposure in any given project. The Company may also assign all or a portion of its interest in a particular project to any of these companies due to the financial position of the other company or companies. In accordance with the laws of the province of British Columbia, the directors are required to act honestly and in good faith with a view to furthering the best interest of the Company. In determining whether or not the Company will participate in a particular programme and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no procedures or mechanisms to deal with conflicts of interest.

Environmental

Mining operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and companies must generally comply with permits or standards governing, among other things, tailing dams and waste disposal areas, water consumption, air emissions and water discharges. Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the Company's activities, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any minerals it discovers is subject to various reporting requirements and to acquiring certain Government approvals and there is no assurance that such approvals, including environmental approvals, will be granted without inordinate delays or at all.

Dependence on Key Personnel

The Company's performance is dependent upon the performance and continued services of its current key management. While it has entered into contracts and adopted a stock option plan with the aim of securing the services of the existing management, the retention of their services cannot be guaranteed. Accordingly, the loss of any key management of the Company may have an adverse effect on the future of the Company's business. The Company competes with numerous other companies and individuals in the search for and acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and contractors.

Change In Accounting Policy

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Disclosure and Presentation*; and Section, *Hedges*. These new standards resulted in no changes to amounts previously reported.

Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes.

The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the year ended October 31, 2007, the Company had no hedges.

The application of these new standards has had no impact on the Company's consolidated financial statements as at and for the year ended October 31, 2007.

Use of Financial Instruments

Up to October 31, 2007 Luiiri Gold did not enter into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. The principal financial instruments affecting the Company's financial condition and results of operations are currently its cash, amounts receivable and prepayments, and accounts payable and accrued liabilities. Foreign currency exposure is minimized by retaining most cash in Canadian dollar denominated instruments.

Off-Balance Sheet Arrangements and Contingent Liabilities

Luiiri Gold has no off-balance sheet arrangements or contingent liabilities, not already discussed above.

Contractual Obligations and Commitments

- a) Luiiri Gold had no capital expenditure commitments up to October 31, 2007.
- b) Under the terms of non-cancellable operating leases, the Company is committed to rental payments of \$17,500 due within one year.

Multilateral Instrument 52-109

Evaluation of disclosure controls and procedures

Public companies are required to perform an evaluation of disclosure controls and procedures annually and to disclose management's conclusions about the effectiveness of these disclosure controls and procedures in its annual MD&A.

The Company has established, and is maintaining, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is disclosed in annual filings, interim filings or other reports and recorded, processed, summarized and reported within the time periods specified as required by securities regulations.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at October 31, 2007 and, given the size of the Company and the involvement at all levels of the Chief Executive Officer and Chief Financial Officer, believes that they are sufficient to provide reasonable assurance that the Company's disclosures are compliant with securities regulations.

Internal controls over financing reporting

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of October 31, 2007, have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.

Related Party Transactions

At October 31, 2007, the Company had arrangements with a number of contractors to provide most of the administrative, accounting, management, and technical services required. Certain directors and significant shareholders provided management and consulting services to the Company.

Global Mining Services (Pty) Ltd., a private company, was paid \$185,604 in the year ended October 31, 2007 (2006 - \$210,586 including a special bonus paid upon the achievement of pre-agreed milestones of \$61,337), for the services of the Company's President and CEO.

Westland Corporate Pty Ltd, a private company, was paid \$38,819 in the year ended October 31, 2007 for the services of the Company's Chief Financial Officer (2006 - \$10,020).

1693467 Ontario Inc., a private company, was paid \$23,375 in the year ended October 31, 2007 for the services of the Company's former Vice President, Finance (2006 - \$21,560).

St. George Minerals Limited, a private company that had a common director of the Company, provided office facilities and administrative services to the Company, was paid \$63,365 (year ended October 31, 2006:\$11,816)

The G143 Trust is an entity in which the Chairman has an interest and significant management influence. In April 2007 the trust purchased 588,235 units in the share placement as detailed in note 9(d).

Silverbridge Capital Inc., a limited market dealer that had a common director of the Company, was paid \$150,000 for consulting services to the Company and \$118,446 in commission on funds raised in the private placement of June 2006.

No directors' fees were paid in the period.

Outlook

At the Luri Hill Project, Luri Gold will focus on completing the drilling; updating the minerals resource estimates for the Matala and Dunrobin deposits, follow up drilling and scoping studies.

The Company will also continue with a programme of follow up mapping, trenching and drilling on targets identified from the regional geochemical sampling over the Matala Dome. The Company will also continue the programme of soil sampling over the total Luri Hill project area.

Luri Gold will also progress the strategy to find a producing, or near production asset.

In January 2008, the Company closed a non-brokered private placement of 6,000,000 units at a price of \$0.50 per unit for gross proceeds of \$3,000,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.75 per common share, exercisable for a period of 2 years from the closing date. A finder's fee of 7.5% was paid.

For additional information, please refer to the Company's website at www.lurigold.com and for regulatory filings, including news releases, please refer to www.SEDAR.com.

Supplement to the Financial Statements

As at January 28, 2008, the following items were issued and outstanding:

- 49,664,405 common shares;
- 3,758,500 common share purchase options with an average exercise price of \$0.45 per common share and expiry dates ranging between June 3, 2009 and May 25, 2012; and
- 11,736,453 share purchase warrants with an average exercise price of \$0.63 per common share and expiry dates ranging between June 2008 and January 2010.

January 28, 2008

LUIRI GOLD LIMITED

CORPORATE INFORMATION

Directors

Ted Grobicki ^{1, 2, 3}

Chairman
Perth, Western Australia, Australia

Michael Sperinck ³

President and Chief Executive Officer
Perth, Western Australia, Australia

Peter Tanham ¹

Chief Financial Officer
Perth, Western Australia, Australia

Gordon Richards ^{1, 2, 3}

Non-executive Director
Delta, British Columbia, Canada

Richard Billingsley ^{1, 2, 3}

Non-executive Director
Vancouver, British Columbia, Canada

¹ Current members of the Audit
Committee.

² Current members of the Compensation
Committee.

³ Current members of the Corporate
Governance Committee.

Shareholders' Information

Stock Exchange Listings

TSX Venture Exchange
Symbol: **LGL**

Annual Meeting

The annual meeting of shareholders will be held at 10:00 am on Friday, March 7, 2008 at Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia

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Registrar and Transfer Agent

Pacific Corporate Trust Company
Vancouver, British Columbia

Auditors

McGovern, Hurley, Cunningham, LLP
Toronto, Ontario

Legal Counsel

Salley Bowes Harwardt LLP
Barristers and Solicitors
Vancouver, British Columbia