Luiri Gold Limited

(A Development Stage Company)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED JANUARY 31, 2011

(Stated in Canadian Dollars)

CONTENTS

Responsibility for Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements for Luiri Gold Limited (the "Company") have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the October 31, 2010 audited annual consolidated financial statements of the Company. Only changes in accounting principles have been disclosed in these unaudited interim consolidated financial statements. **These interim consolidated financial statements are unaudited and have not been reviewed by the Company's auditors.** These unaudited interim consolidated financial statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited interim consolidated financial statements, management is satisfied that these unaudited interim consolidated financial statements have been fairly presented.

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

As at	January 31 2010 $	October 31 2010 $
ASSETS		
Current Assets		
Cash and equivalents	**2,933,216**	3,559,009
Amounts receivable	**103,753**	161,471
Advances and prepaid expenses	**13,265**	15,234
	3,050,234	3,735,714
Mineral Properties (Note 6)	**12,799,453**	12,623,314
Equipment	**53,372**	52,496
	15,903,059	16,411,524
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**250,910**	**301,454**
Future income tax liabilities	**335,000**	**335,000**
	585,910	**636,454**
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)	**16,934,233**	16,934,233
Contributed Surplus (Note 9)	**4,496,940**	4,496,940
Currency translation adjustments	**39,419**	39,419
Deficit	**(6,153,443)**	(5,695,522)
	15,317,149	15,775,070
	15,903,059	16,411,524

Going Concern (Note 2)

APPROVED ON BEHALF OF THE BOARD

signed "Melissa Sturgess"
Melissa Sturgess, Director

signed "Michael Langoulant"
Michael Langoulant, Director

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

Luiri Gold Limited
(A Development Stage Company)
Unaudited 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 31,2009	**71,556,905**	**10,158,418**	**3,909,540**	**384,400**	**(4,897,848)**	**39,419**	**9,593,929**
Shares issued on Australian Fundraising net of issuance costs of $709,189 (Note 7)	40,000,000	6,930,815	-	-	-	-	6,930,815
Value of agents options granted on Australian Fundraising	-	(155,000)	155,000	-	-	-	-
Stock option compensation expense	-	-	48,000	-	-	-	48,000
Valuation of warrants expired	-	-	384,400	(384,400)	-	-	-
Net loss for the year	-	-	-	-	(797,674)	-	(797,674)
Balance – October 31, 2010	**111,556,905**	**16,934,233**	**4,496,940**	**-**	**(5,695,522)**	**39,419**	**15,775,070**
Net loss for the period	-		-	-	(457,921)	-	(457,921)
Balance – January 31, 2011	**111,556,905**	**16,934,233**	**4,496,940**	**-**	**(6,153,443)**	**39,419**	**15,317,149**

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

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

	Three Months ended January 31, 2011 $	Three Months ended January 31, 2010 $
Revenue	-	-
Expenses		
Consultancy fees	200,342	-
Foreign exchange loss	22,855	57,631
Directors Fees	27,612	30,662
Insurance	3,339	5,145
Investor relations	18,000	30,043
Management fees	106,193	70,658
Office and administration	9,981	18,337
Stock based compensation	-	155,000
Professional fees	79,079	26,380
Transfer agent and filing fees	12,643	30,686
Travel and accommodation	17,534	7,592
	497,578	432,134
Loss for the period before the undernoted	(497,578)	(432,134)
Interest Income	39,657	62,099
Net loss for the period	(457,921)	(370,035)
Deficit - beginning of period	(5,695,522)	(4,897,848)
Deficit - end of period	(6,153,443)	(5,267,883)
Net loss per Share - Basic and diluted	(0.00)	(0.00)
Weighted average number of common shares - Basic and diluted	111,556,905	104,165,601

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

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

	Three Months ended January 31 2011 $	Three Months ended January 31 2010 $
Cash provided by (used in)		
Operating Activities		
Net loss for the period	(457,921)	(370,035)
Adjustments for non-cash items:		
Stock-based compensation	-	155,000
Changes in non-cash working capital items:		
Amounts receivable	57,718	16,372
Advances and prepaid expenses	1,969	258,666
Accounts payable and accrued liabilities	(50,544)	(261,525)
Net cash used in Operating Activities	(448,778)	(201,522)
Financing Activities		
Issuance of common shares, for cash	-	7,640,004
Share issue costs	-	(709,189)
Net cash provided from Financing Activities	-	6,930,815
Investing Activities		
Expenditures on mineral properties	(176,139)	(794,411)
Acquisition of property and equipment	(876)	-
Net cash used in Investing Activities	(177,015)	(794,411)
Net (decrease) increase in cash and equivalents	(625,793)	5,934,882
Cash and equivalents - beginning of period	3,559,009	1,330,004
Cash and equivalents - end of year	2,933,216	7,264,886
Cash and equivalents consists of:		
Cash	157,476	439,295
Equivalents	2,775,740	6,825,591
	2,933,216	7,264,886
Supplemental information		
Interest and taxes paid	-	-
Issuance of warrants as offering costs	-	-
Issuance of warrants as listing costs	-	-

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

1. Nature of Operations and Basis of Presentation

Luiri 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 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, as defined by the Canadian Institute of Chartered Accountants Handbook Accounting Guideline 11. 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 unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") 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 unaudited interim 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.

2. Going Concern (Continued)

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.

3. Future Changes in Accounting Policies

International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for public companies in Canada (IFRS will replace Canadian GAAP for public companies). The official changeover date will apply for interim and annual financial statements relating to the Company's fiscal year beginning on November 1, 2011. The Company is currently assessing the impact of the implementation of IFRS and developing a changeover plan. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed. The Company has begun assessing the adoption of IFRS and is developing a changeover plan; however, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business combinations

CICA Handbook Section 1582 "Business Combinations", replaces Section 1581 - "Business Combinations" and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 - Business Combinations. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. The Company expects to adopt this standard on November 1, 2011.

Consolidations and non-controlling interests

CICA Handbook Sections 1601 "Consolidations" and Section 1602 "Non-Controlling Interests" replace Section 1600 "Consolidated Financial Statements". Section 1602 provides the Canadian equivalent to International Accounting Standard 27 - "Consolidated and Separate Financial Statements", for non-controlling interests. The Company expects to adopt this standard on November 1, 2011.

4. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

4. Capital Management (Continued)

The properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay the administrative costs, the company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

There were no changes in the Company's approach to capital management during the three months ending January 31, 2011. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

5. Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit risk

The Company's credit risk is primarily attributable to cash and equivalents in current assets. The Company has no significant concentration of credit risk arising from operations. Cash equivalents consist of term deposits, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments consist of taxes due from the Federal Governments of Canada, Australia and Zambia and receivables from unrelated companies. Management believes that the credit risk concentration with respect to financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2011, the Company has a cash balance of $2,933,216 (October 31, 2010 - $3,559,009) to settle current liabilities of $250,910 (October 31, 2010 - $301,454). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

5. Financial Risk Factors (Continued)

(b) Foreign Currency risk

The Company's functional currency is the Canadian dollar as major transactions are in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Zambia on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada or its Australian dollar bank accounts held in Australia. The Company also incurs certain operating expenses in Australian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not currently hedge its foreign exchange risk.

	Cash and equivalents $	Amounts receivable $	Accounts payable $
Canada	**168,976**	**10,016**	**25,890**
Australia	**2,721,111**	**37,320**	**122,403**
Zambia	**43,129**	**56,417**	**102,617**
	2,933,216	**103,753**	**250,910**

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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 judgment, 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.

Sensitivity analysis

The Company has designated its cash and equivalents as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

5. Financial Risk Factors (Continued)

January 31, 2011***(expressed in Canadian dollars)

As at January 31, 2011, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, Luiri believes the following movements are "reasonably possible" over the next three months:

- Cash equivalents include deposits at call, which are at variable rates. Sensitivity to a plus or minus 1% change in rates would effect the net loss by $7,000.

- The Company does hold significant balances in foreign currencies and therefore does have an exposure to foreign exchange risks.

- Price risk is remote since the Company is not a producing entity.

6. Mineral Properties

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

	Three months ended January 31 2011 $	Year ended October 31 2010 $
Acquisition costs		
Opening balance	**78,296**	78,296
Incurred in the period	**-**	-
Closing balance	**78,296**	78,296
Drilling, Sampling and assays		
Opening balance	**7,646,034**	5,342,829
Incurred in the period	**29,023**	2,303,205
Closing balance	**7,675,057**	7,646,034
Labour		
Opening balance	**846,008**	565,991
Incurred in the period	**42,280**	280,017
Closing balance	**888,288**	846,008
Geological and reporting		
Opening balance	**1,589,736**	1,116,831
Incurred in the period	**19,577**	472,905
Closing balance	**1,609,313**	1,589,736
Project management fees		
Opening balance	**1,682,836**	798,195
Incurred in the period	**54,381**	884,641
Closing balance	**1,737,217**	1,682,836
Other		
Opening balance	**780,404**	582,567
Incurred in the period	**30,878**	197,837
Closing balance	**811,282**	780,404
Total	**12,799,453**	12,623,314

6. Mineral Properties (Continued)

January 31, 2011 (expressed in Canadian dollars)

Luiri Hill Project, Zambia

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

In May 2010, the Zambian Department of Mines and Minerals Development ("Mines Department") advised the Company that it was in default of its mining license LML48. The Company believes there is no legal basis for the cancellation in accordance with the Mines and Minerals Development Act 2008. The Company provided the Mines Department with documentation supporting its continued tenure, however, this response was rejected. A subsequent appeal to the Minister of the Mines Department was also rejected. The Company subsequently appealed the cancellation in the High Court of Zambia. The High Court of Zambia issued a stay against the cancellation of LML48 until the full appeal process can be completed.

No impairment has been recorded as at January 31, 2011 as a result of this analysis. The great majority of funds capitalized as mineral properties relate to LML48. The final outcome of the appeal process remains uncertain and may result in the impairment or loss of all or part of the Company's investment, which could be material.

7. Share Capital

Authorized:
Unlimited number of common shares without par value.
Issued:

Common Shares	**Number of Shares #**	**Amount $**
Balance, October 31, 2010 and January 31, 2011	**111,556,905**	**16,934,233**

8. 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 November 13, 2009, 1,000,000 options were issued to a Euroz Securities Ltd as part of the Australian fundraising. The options exercisable for a period of thirty months at a

8. Stock-Based Compensation (Continued)

January 31, 2011***(expressed in Canadian dollars)

price of A$0.20 per common share. The stock options vested immediately and $155,000 was recorded as a compensation expense and added to Contributed Surplus in Shareholders' Equity on the Balance Sheet. The fair value of options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.39% per annum, expected volatility of 100%, expected dividend rate of nil and an expected life of 2.5 years. The exercise price of all share purchase options granted was greater than or equal to the market price at the grant date.

On April 1, 2010, 300,000 options were issued to an employee as part of his compensation. The options are exercisable for a period of sixty months at a price of 100,000 options at A$0.45, A$0.65 and A$0.85 per common share. The stock options vested immediately and $48,000 was recorded as a compensation expense and added to contributed surplus in shareholders' equity on the balance sheet. The fair value of options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.04% per annum, expected volatility of 100%, expected dividend rate of $nil 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.

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 options at the date of grant

The following summarizes the stock option activity during the period

	Three months ending January 31, 2011		Year ending October 31, 2010	
	Number of Options #	**Weighted average exercise price $ per share**	Number of Options #	Weighted average exercise price $ per share
Balance, beginning of period.	**3,703,500**	**0.42**	3,803,500	0.45
Granted	**-**	**-**	1,300,000	0.29
Expired or forfeited	**-**	**-**	(1,400,000)	(0.41)
Balance, end of period.	**3,703,500**	**0.42**	3,703,500	0.42

Summary of stock options outstanding as at January 31, 2011:

Expiry Date	Options Outstanding #	**Options Exercisable** $	**Exercise Price** $	**Estimated Fair Value** (Recorded) $
June 23, 2011	2,207,000	2,207,000	0.50	653,394
March 13, 2012	146,500	146,500	0.40	43,950
March 7, 2013	50,000	50,000	0.40	14,500
May 13, 2012	1,000,000	1,000,000	A0.20	155,000
April 1, 2015	100,000	100,000	A0.45	17,000
April 1, 2015	100,000	100,000	A0.60	16,000
April 1, 2015	100,000	100,000	A0.85	15,000
	3,703,500	3,703,500		914,844

9. Contributed Surplus

January 31, 2011 (expressed in Canadian dollars)

The following summarizes the contributed surplus activity during the period:

	January 31 2011 $	October 31, 2010 $
Balance, beginning of period	**4,496,940**	3,909,540
Value of expired warrants	**-**	384,400
Value of stock options granted/vesting	**-**	203,000
Balance, end of period	**4,496,940**	4,496,940

10. 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 January 31, 2011, 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.

In the period to January 31, 2011 the Company's then President and CEO was a full time employee. In the three months ended January 31, 2011 he was paid $62,364 for his services (year ended October 31, 2010 - $234,119).

Westland Group Pty Ltd, a private company, was paid $18,854 in the three months ended January 31, 2011 (year ended October 31, 2010: $71,025) for the services of the Company's Chief Financial Officer. During 2010, a shareholder of this corporation became a director of the Company.

The Company pays directors fees to non-executive directors. The monthly fee for the Chairman is A$3,333 and other directors A$2,500. For the three months ended January 31, 2011 the Company paid directors fees of $27,612. (year ended October 31, 2010: $123,137).

11. Segmented Information

The Company considers its business to consist of three geographical segments, Zambia, the corporate head office in Canada and bank accounts held in Australia.

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

	January 31 2011 $	October 31 2010 $
Canada	**223,339**	281,674
Australia	**2,721,111**	3,296,316
Zambia	**12,958,609**	12,833,534
	15,903,059	16,411,524

12. Commitments and Contingencies

Under the terms of non-cancellable operating leases, the Company is committed to rental payments of $22,000 due within one year.

The Company is party to certain management contracts that expire in October 2011. Commitments under these contracts approximate $320,000 due within one year.

13. Subsequent Events

Share Placement

On February 23, 2011 the Company finalized the private placement of 5,875,000 common shares of the Company at a price of A$0.15 per share resulting in gross proceeds to the Company of A$881,250. These shares will be traded in the form of CHESS Depositary Interests ("**CDIs**") and rank equally in all respects to existing quoted CDIs on the Australian Stock Exchange ("**ASX**") and the Company shares listed on the TSX Venture Exchange. No finder's fees were paid in connection with the private placement. The funds will be used as working capital for the Company.

New Board Appointments

Effective February 23, 2011, each of Michael Sperinck, Peter Tanham, Gordon Richards and Richard Billingsley have resigned from the board of directors of the Company. Melissa Sturgess has been appointed as Executive Chairman and Mike Langoulant as Finance director/company secretary and Evan Kirby as a non-executive director of the Company.