

# **LUIRI GOLD LIMITED**

c/o 10<sup>th</sup> Floor, 595 Howe Street,  
Vancouver, British Columbia Canada V6C 2T5

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of the shareholders of LuiRI Gold Limited (hereinafter called the "**Company**") will be held at c/o 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia Canada V6C 2T5 on:

**WEDNESDAY, THE 15<sup>TH</sup> DAY OF JUNE, 2011**

at the hour of twelve noon (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended October 31, 2010, 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. that the number of directors of the Company be fixed at four (4) ;
4. that Ms Melissa Sturgess, who ceases to hold office in accordance with the Company's Articles and being eligible, offers herself for re-election, be re-elected as a director of the Company;
5. that Mr Michael Langoulant, who ceases to hold office in accordance with the Company's Articles and being eligible, offers himself for re-election, be re-elected as a director of the Company;
6. that Mr Evan Kirby, who ceases to hold office in accordance with the Company's Articles and being eligible, offers himself for re-election, be re-elected as a director of the Company;
7. that Mr Robert Brown, who ceases to hold office in accordance with the Company's Articles and being eligible, offers himself for re-election, be re-elected as a director of the Company;
8. that shareholders approve the Company's Stock Option Plans, which make a total of 10% of the issued and outstanding shares of the Company available for issuance there under, as described in the accompanying Management Information Circular;
9. that, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant of a total of 2,000,000 Employee Options (exercisable on or before 30 June 2015 at an exercise price per Employee Option that is the closing market price of the Company's CDIs on ASX on the trading day prior to the grant date) to Ms Melissa Sturgess in accordance with the Employee Stock Option Plan and otherwise on the terms and conditions set out in the accompanying Management Information Circular;

<p>The Company will disregard any votes cast on this resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such director. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>
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10. that, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant of a total of 2,000,000 Employee Options (exercisable on or before 30 June 2015 at an exercise price per Employee Option that is the closing market price of the Company's CDIs on ASX on the trading day prior to the grant date) to Mr Michael Langoulant in accordance with the Employee Stock Option Plan and otherwise on the terms and conditions set out in the accompanying Management Information Circular;

The Company will disregard any votes cast on this resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such director. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

11. that, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant of a total of 2,000,000 Employee Options (exercisable on or before 30 June 2015 at an exercise price per Employee Option that is the closing market price of the Company's CDIs on ASX on the trading day prior to the grant date) to Mr Evan Kirby in accordance with the Employee Stock Option Plan and otherwise on the terms and conditions set out in the accompanying Management Information Circular;

The Company will disregard any votes cast on this resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such director. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

12. that, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant of a total of 2,000,000 Employee Options (exercisable on or before 30 June 2015 at an exercise price per Employee Option that is the closing market price of the Company's CDIs on ASX on the trading day prior to the grant date) to Mr Robert Brown in accordance with the Employee Stock Option Plan and otherwise on the terms and conditions set out in the accompanying Management Information Circular;

The Company will disregard any votes cast on this resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such director. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

13. 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 and a Management Information Circular. 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.

Holders of CHESSE Depositary Interests (“CDIs”) are invited to attend the Meeting. CDI holders must complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Pty Ltd GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms within Australia is 1800-783-447 and outside Australia is 61-3-9473-2555) so that each CDI holder may elect to direct CHESSE Depositary Nominees Pty Ltd (“CDN”) to vote the relevant underlying common shares on his or her behalf or instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the common shares underlying the CDIs in person at the Meeting. In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form by not less than 72 hours, Saturdays, Sundays, and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof.

DATED at Perth, Western Australia, Australia this 12<sup>th</sup> day of May, 2011.

**BY ORDER OF THE BOARD**

(Signed) "*Melissa Sturgess*"

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Melissa Sturgess  
President and CEO

# Luri Gold Limited

ARBN 139588926

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 LGM  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## CDI Voting Instruction Form

For your vote to be effective it must be received by 2:00am (Perth/WST) Monday 13 June 2011

### How to Vote on Items of Business

Each CHESS Depository Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI that you own at 12 May 2011 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depository Nominees Pty Ltd enough time to tabulate all CHESS Depository Interest votes and to vote on the underlying shares.

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. please sign in the boxes provided, which state the office held by the signatory. ie Sole Director, Sole Company Secretary or Director and Company Secretary.

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

[www.investorcentre.com](http://www.investorcentre.com)

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# CDI Voting Instruction Form

Please mark  to indicate your directions

## STEP 1 CHESSE Depository Nominees will vote as directed

XX

### Voting Instructions to CHESSE Depository Nominees Pty Ltd

I/We being a holder of CHESSE Depository Interests of the above Company hereby direct CHESSE Depository Nominees Pty Ltd to vote the shares underlying my/our holding at the Annual General Meeting of Luriri Gold Limited to be held at at c/o 10th Floor, 595 Howe Street, Vancouver, British Columbia on Wednesday, 15 June 2011 at 12 Noon (Vancouver time) and at any adjournment of that meeting. By execution of this CDI Voting Form the undersigned hereby authorises CHESSE Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

		For	Against	Abstain
2	To appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	That the number of directors of the Company be fixed at four (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-election of Ms Melissa Sturgess as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Re-election of Mr Michael Langoulant as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Re-election of Mr Evan Kirby as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Re-election of Mr Robert Brown as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval of the Company's Stock Option Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Approval of the grant of 2,000,000 Employee Options to Ms Melissa Sturgess	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Approval of the grant of 2,000,000 Employee Options to Mr Michael Langoulant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Approval of the grant of 2,000,000 Employee Options to Mr Evan Kirby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Approval of the grant of 2,000,000 Employee Options to Mr Robert Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

\_\_\_\_\_

Contact Daytime Telephone

\_\_\_\_\_

Date

\_\_\_\_/\_\_\_\_/\_\_\_\_

**LUIRI GOLD LIMITED**  
c/o 10<sup>th</sup> Floor, 595 Howe Street,  
Vancouver, British Columbia Canada V6C 2T5

**INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES BY MANAGEMENT**

This management information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of Luiri Gold Limited (the "Company") for use at the annual meeting (the "Meeting") of the shareholders of the Company (the "Shareholders") to be held at 10<sup>th</sup> Floor 595 Howe Street, Vancouver, British Columbia V6C 2T5 on Wednesday, June 15, 2011 at 12 noon (Vancouver time) and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by Directors or officers of the Company. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of common shares of the Company ("**Common Shares**") pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. The cost of any such solicitation will be borne by the Company.

Unless otherwise stated, the information contained in this Information Circular is given as at May 12, 2011.

In this Information Circular, references to "C\$" or "\$" are to amounts in Canadian dollars and references to "A\$" are to amounts in Australian dollars.

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors or a designee of management for the purposes of the meeting ("**Management Proxyholder**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

**REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a Shareholder of the Company who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A Shareholder of the Company may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing:

1. at the offices of the registrar and transfer agent of the Company, Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, B.C., V6C 3B9 (the number to fax proxies is (604) 661-9549), at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;

2. at the registered office of the Company, 10<sup>th</sup> Floor 595 Howe Street, Vancouver, British Columbia, V6C 2T5, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
3. with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the Shareholder of the Company personally attending the Meeting and voting his or her shares.

### **VOTING SECURITIES**

The Company is authorized to issue an unlimited number of common shares, without nominal or par value, of which as at the date hereof 117,431,905 common shares are issued and outstanding.

Of the 117,431,905 Common Shares issued and outstanding on May 12, 2011, 88,260,830 Common Shares were held by CHESS Depository Nominees Pty Ltd. (“**CDN**”), a wholly-owned subsidiary of the Australian Securities Exchange (the “**ASX**”), on behalf of holders of CHESS Depository Instruments (“**CDIs**”). CDN has issued CDIs that represent beneficial interests in the Common Shares held by CDN. CDIs are traded on the electronic transfer and settlement system operated by the ASX.

All references in this Information Circular to outstanding Common Shares include the Common Shares held by CDN and all references to holders of Common Shares include CDI holders.

The holders of Common Shares of record at the close of business on the record date, set by the Directors of the Company to be May 12, 2011, are entitled to receive notice of the Meeting and vote such Common Shares at the Meeting on the basis of one vote for each Common Share held.

The Articles of the Company provide that a quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

### **VOTING BY PROXY**

This sections headed “Voting by Proxy” and “Completion and Return of Proxy” only apply to the holders of Common Shares of the Company that are not represented by CDIs. Holders of CDIs should refer to the section of this Information Circular headed “CDI Holders May Give Instruction to CDN”.

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common Shares represented by a properly executed proxy will be voted for withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management of the Company at the meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments,

## COMPLETION AND RETURN OF PROXY

Those Shareholders so desiring may be represented by proxy at the Meeting. The instrument of proxy, and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited either at the office of the Registrar and Transfer Agent of the Company, Proxy Dept., Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, B.C., V6C 3B9 (the number to fax proxies is (604) 661-9549), not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof.

### NON-REGISTERED HOLDERS (OTHER THAN CDI HOLDERS)

Most Shareholders of the Company are “non-registered” or “beneficial” Shareholders because the shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered Shareholder in respect of shares which are held on behalf of that person (the “**Beneficial Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders.

Intermediaries are required to forward the Meeting Materials to Beneficial Holders unless a Beneficial Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive Meeting 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 Beneficial Holder 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 Beneficial Holder when submitting the proxy. In this case, the Beneficial Holder 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 Beneficial Holder 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 Beneficial Holder 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 Beneficial Holders to direct the voting of the shares which they beneficially own. Should a Beneficial Holder who receives one of the

above forms wish to vote at the Meeting in person, the Beneficial Holder should strike out the names of the Management Proxyholders named in the form and insert the Beneficial Holder's name in the blank space provided. **In either case, Beneficial 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.**

#### **CDI HOLDERS MAY GIVE DIRECTIONS TO CDN**

The Company will permit CDI holders to attend the Meeting.

Each CDI holder has the right to:

- (a) direct CDN how to vote in respect of their CDIs; or
- (b) instruct CDN to appoint the CDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

If you are a CDI holder and you wish to direct CDN how to vote in respect of your CDIs or appoint yourself or a nominee as your proxy, you should read, complete, date and sign the accompanying CDI Voting Instruction Form and deposit it with Computershare Investor Services Pty. Ltd. GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms within Australia is 1800-783-447 and outside Australia is 61-3-9473-2555) not less than 72 hours, Saturdays, Sundays, and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as set forth herein, management of the Company is not aware of 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 or the appointment of auditors, of any person or company who has been: (a) if the solicitation is made by or on behalf of management of the Company, a Director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) if the solicitation is made other than by or on behalf of management of the Company, any person or company by whom or on whose behalf, directly or indirectly, the solicitation is made; (c) each proposed nominee for election as a Director of the Company; or (d) any associate or affiliate of any of the foregoing persons or companies.

#### **PRINCIPAL HOLDERS OF VOTING SECURITIES**

To the knowledge of the Directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company.

#### **APPLICATION OF CANADIAN CORPORATE AND SECURITIES LAWS**

The following description of Canadian corporate and securities laws applicable to the Company and its Shareholders is included herein to satisfy requirements of the ASX and is not required from a TSX Venture Exchange or Canadian securities law disclosure standpoint.

**Place of Incorporation**

The Company is a company incorporated in the Province of British Columbia, Canada under the British Columbia *Business Corporations Act* (the “BCBCA”). The registered office of the Company is situated in the City of Vancouver, in the Province of British Columbia, Canada.

**Chapters 6, 6A, 6B and 6C of the Australian Corporations Act**

The Company is not subject to 6, 6A, 6B and 6C of the *Australian Corporations Act 2001*.

**Summary of Canadian Legal Requirements Respecting the Acquisition of Securities of the Company**

Applicable Canadian corporate and securities laws, like their Australian equivalent, are very technical. Accordingly, Shareholders should consult their own Canadian legal advisors with respect to Canadian legal requirement matters, rather than relying upon this general summary.

In general, subject to compliance with applicable Canadian securities laws, a holder of shares in the capital of a corporation incorporated under the BCABC is entitled to transfer his, her or its shares to anyone else upon compliance with the provisions of the BCABC and the articles of the corporation. Where a corporation is offering its shares to the public, the articles of the corporation may not include restrictions on the transfer of shares.

Canadian securities laws impose certain limitations on the acquisition of securities. The issuance to the public and trading of securities in Canada is regulated by provincial/territorial securities legislation administered by the relevant provincial or territorial securities commissions.

Take-over bids are regulated primarily by provincial and territorial securities legislation and, to a limited extent, the corporate statutes under which the target company is incorporated. Under provincial or territorial securities regulations, an offer to acquire shares of an issuer by a “control person” of that issuer may constitute a take-over bid. Under the *Securities Act* (British Columbia), a “control person” is generally defined as any person, company or combination of persons or companies whose holdings represent a sufficient number of securities of the issuer to materially affect the control of that issuer. A holding of more than 20%, in the absence of evidence to the contrary, is deemed to materially affect control of the issuer. Any offer to acquire voting or equity securities where such securities together with the offeror’s securities represent an aggregate of 20% or more of the outstanding securities of that class will constitute a take-over bid.

Unless an exemption from formal take-over bid requirements under applicable securities legislation can be obtained, persons or companies seeking to make a take-over bid must comply with detailed rules governing bids prescribed by applicable provincial or territorial securities laws. For example, under the *Securities Act* (British Columbia), exempt bids include bids made over the facilities of the TSX Venture Exchange and a bid for not more than 5% of the outstanding securities of a class of securities, so long as the aggregate number of securities of that class acquired by the offeror in the previous twelve months is not greater than 5% of the class and the bid is for a price not in excess of the “market price” for those securities.

## **Reporting by Substantial Shareholders and Insiders**

Under the insider reporting and trading rules of applicable Canadian securities legislation, reporting obligations and trading restrictions are placed on substantial shareholders. An “insider” generally includes any person or company who beneficially owns, directly or indirectly, voting securities or who exercises control or direction over voting securities or a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities.

Shareholders who become insiders must file an “Insider Profile” in the prescribed form under National Instrument 55-102 – *System for Electronic Disclosure by Insiders* (“SEDI”). A further insider report must be filed within 5 days of any change in the ownership or control or direction over securities of the Company of that insider. Insider reports must be filed electronically on SEDI at [www.sedi.ca](http://www.sedi.ca).

## **PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

TO THE KNOWLEDGE OF THE COMPANY’S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR. HOWEVER, 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 SHARES REPRESENTED BY THE PROXY.

Additional detail regarding each of the matters to be acted upon at the Meeting is set forth below.

### **I. Financial Statements**

The audited financial statements of the company for the financial year ended October 31, 2010 (the “Financial Statements”), together with the Auditors’ Report thereon will be presented to the Shareholders at the Meeting.

### **II. Appointment of Auditors**

McGovern, Hurley, Cunningham, LLP, Chartered Accountants, of Toronto, Ontario were first appointed as the Company’s auditors on October 31, 2006. The Board of Directors of the Company recommends the appointment of McGovern, Hurley, Cunningham, LLP, Chartered Accountants to serve as auditors of the Company until the next annual general meeting of Shareholders and to authorize the Directors to fix their remuneration.

In the absence of instructions to the contrary the Common Shares represented by proxy will be voted in favour of a resolution to appoint McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as Auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board of Directors, unless the Shareholder has specified in the Shareholder’s proxy that the Shareholder’s Common Shares are to be withheld from voting on the appointment of auditors.

### **III Number of Directors and Election of Directors**

The board of Directors of the Company (the “**Board**” or the “**Board of Directors**”) currently consists of four (4) Directors, all of whom are elected annually. The term of office for each of the present Directors of the Company expires at the Meeting. All of the current Directors of the Company will be standing for re-election. It is proposed that the number of Directors for the ensuing year be fixed at four (4), subject to such increases as may be permitted by the Articles of the Company. At the Meeting, the Shareholders will be asked to consider and, if thought fit,

approve an ordinary resolution fixing the number of Directors to be elected at the Meeting at four (4).

It is proposed that the persons named in the table below will be nominated at the Meeting. Each Director elected will hold office until the next Annual General Meeting of the Company or until his successor is duly elected or appointed pursuant to the Articles of the Company unless his office is earlier vacated in accordance with the provisions of the BCBCA or the Company's Articles.

It is the intention of the Management Proxyholders, if named as proxy, to vote for the election of the said persons to the Board of Directors, unless the Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the election of Directors. Management does not contemplate that any of the nominees will be unable to serve as a Director.

The following information relating to the nominees for election to the Board of Directors is based on information received by the Company from said nominees.

<b>NAME, PRESENT OFFICE HELD AND PROVINCE OR STATE OF RESIDENCY</b>	<b>DIRECTOR SINCE</b>	<b>NUMBER OF COMMON SHARES BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, OR OVER WHICH CONTROL OR DIRECTION IS EXERCISED AT THE DATE OF THIS INFORMATION CIRCULAR</b>	<b>PRINCIPAL OCCUPATION AND IF NOT AT PRESENT AN ELECTED DIRECTOR, OCCUPATION DURING THE PAST FIVE (5) YEARS</b>
Melissa Sturgess President and Chief Executive Officer London, UK	February. 23, 2011	Nil	Professional director Executive Chairman and ex-CEO of Nyota Minerals Ltd
Michael Langoulant <sup>(1)</sup> Chief Financial Officer and Director Western Australia, Australia	February. 23, 2011	100,000 CDIs	Chartered Accountant CEO Lanza Holdings Pty Ltd.
Evan Kirby, <sup>(1)</sup> Non-executive Director Western Australia, Australia	February. 23, 2011	Nil	Metallurgist CEO Metallurgical Management Services Pty Ltd
Robert Brown <sup>(1)(2)</sup> Non-executive Director Western Australia, Australia	November 10, 2010	5,365,000 CDIs	Professional director CEO of Westland Corporate Pty Ltd

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Chair of the Audit Committee.

### ***Corporate Cease Trade Orders or Bankruptcies***

To the knowledge of the Company, no Director or proposed Director of the Company is at the date of this Information Circular, or within the ten years prior to the date of this Information Circular has been, a director, chief executive officer, or chief financial officer of any company, including the Company,:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity; or

- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Individual Bankruptcies***

To the knowledge of the Company, no Director or proposed Director of the Company has, within the ten years prior to the date of this Information Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### ***Penalties or Sanctions***

No proposed Director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

## **IV. Approval of Stock Option Plans**

The Company has adopted two rolling stock option plans (together, the "**Stock Option Plans**") which, in aggregate, authorize the issuance of incentive stock options to directors, senior officers, employees and consultants up to an aggregate of 10% of the issued shares from time to time. The Company found it necessary to split its former rolling stock option plan into two plans to facilitate the co-listing of its securities on the ASX. The Stock Option Plans are similar in all material respects except that the first plan authorizes the issuances of incentive stock options to directors, senior officers and full and part-time employees (the "**Employee Stock Option Plan**") and the second plan authorizes the issuance of incentive stock options to consultants (the "**Consultant Stock Option Plan**").

The policies of the TSX Venture Exchange require the Shareholders to approve the Stock Option Plans each year. There are currently 117,431,905 shares issued and outstanding and therefore the current 10% threshold is 11,743,190 shares under the Stock Option Plans. Copies of the Stock Option Plans are attached hereto as Schedule "A".

## **V. Approval of Grant of Employee Options to Directors**

### ***Key Details***

Resolutions 9 to 12 inclusive seek Shareholder approval for the grant of an aggregate total of 8,000,000 options under the Employee Stock Option Plan ("**Employee Options**") by the Company to Ms Sturgess and Messrs Langoulant, Kirby and Brown (the "**Recipient Directors**"). The grants of Employee Options shall be subject to the terms of the Employee Stock Option Plan, and the policies of each of the TSX Venture Exchange and the ASX.

Key details of the Employee Options to be granted by the Company to the Recipient Directors are set out below:

<b>Recipient Director</b>	<b>Number of Employee Options</b>	<b>Offer Price per Employee Option</b>	<b>Exercise Details</b>	<b>Expiry Date</b>
Melissa Sturgess	2,000,000	No consideration is payable in respect of the grant of an Employee Option	Exercise price – the closing market price of the Company's CDIs on ASX on the trading day preceding the grant of Employee Options exercisable from 1 July 2012	30 June 2015
Michael Langoulant	2,000,000	No consideration is payable in respect of the grant of an Employee Option	Exercise price – the closing market price of the Company's CDIs on ASX on the trading day preceding the grant of Employee Options exercisable from 1 July 2012	30 June 2015
Evan Kirby	2,000,000	No consideration is payable in respect of the grant of an Employee Option	Exercise price – the closing market price of the Company's CDIs on ASX on the trading day preceding the grant of Employee Options exercisable from 1 July 2012	30 June 2015
Robert Brown	2,000,000	No consideration is payable in respect of the grant of an Employee Option	Exercise price – the closing market price of the Company's CDIs on ASX on the trading day preceding the grant of Employee Options exercisable from 1 July 2012	30 June 2015

A copy of the Employee Stock Option Plan is attached hereto at Schedule "A" of this Information Circular.

***ASX Listing Rule 10.14***

ASX Listing Rule 10.14 provides, in essence, that the approval of ordinary Shareholders by ordinary resolution is required before any of the following persons can acquire securities under an employee incentive scheme:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a related party is, in ASX's opinion, such that approval should be obtained.

Each of Melissa Sturgess, Michael Langoulant, Evan Kirby and Robert Brown is a Director of the Company for the purpose of ASX Listing Rule 10.14. Accordingly, in order for such persons to acquire a beneficial interest in the Employee Options (which occurs upon grant of the Employee Options in accordance with the terms of the Employee Stock Option Plan), the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.14.

### ***ASX Listing Rule Requirements***

ASX Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting Shareholder approval under ASX Listing Rule 10.14.

In accordance with ASX Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolutions 9 to 12 inclusive:

- (a) Ms Sturgess and Messrs Langoulant, Kirby and Brown are Directors of the Company and the only intended recipients of the Employee Options for which approval is being sought;
- (b) the maximum number of Employee Options that may be granted by the Company to Ms Melissa Sturgess under Resolution 9 is 2,000,000 Employee Options, to Mr Michael Langoulant under Resolution 10 is 2,000,000 Employee Options, to Mr Evan Kirby under Resolution 11 is 2,000,000 Employee Options, to Mr Robert Brown under Resolution 12 is 2,000,000 Employee Options;
- (c) the Employee Options will be granted for no consideration and accordingly, no funds will be raised by the grant of Employee Options to the Recipient Directors. The exercise price of each Employee Option will be the closing market price of the Company's CDIs on ASX on the trading day preceding the grant of Employee Options. The funds raised by the Company if all the Employee Options are exercised by the Recipient Directors during the exercise period to 30 June 2015 will be used for working capital purposes of the Company or as the Board deems fit. There is no guarantee that any or all of the Employee Options will be exercised at any time;
- (d) no person referred to in ASX Listing Rule 10.14 has received securities under the Employee Stock Option Plan since the last approval;
- (e) as at the date of this Information Circular, Directors, senior officers, full-time and part-time employees of the Company or any of its subsidiaries, may participate in the Employee Stock Option Plan; and
- (f) if the grant of the Employee Options by the Company to the Recipient Directors is approved by Shareholders pursuant to Resolutions 9 to 12 inclusive, the Employee Options will be granted to the Recipient Directors no later than 12 months after the date of the Meeting.

### ***Voting Exclusion Statements***

In accordance with ASX Listing Rules 10.14 and 14.11, the Company will disregard any votes cast on Resolutions 9 to 12 inclusive by a Director (except one who is ineligible to participate in the employee incentive scheme) and by an associate of a Director (except one who is ineligible to participate in the employee incentive scheme). However, the Company need not disregard a vote if it is cast by a Director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by any one of the Directors chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Accordingly, Melissa Sturgess, Michael Langoulant, Evan Kirby and Robert Brown and associates of each of them may not vote on Resolutions 9 to 12.

**EXECUTIVE COMPENSATION**  
**(For the financial year ended October 31, 2010)**

For purposes of this Information Circular, “named executive officer” of the Company means an individual who, at any time during the most recently completed financial year, was:

- (a) the Company's chief executive officer (“**CEO**”);
- (b) the Company's chief financial officer (“**CFO**”);
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year;

(each a “**Named Executive Officer**”).

Based on the foregoing definition, during the last completed financial year of the Company, there were two Executive Officer(s), namely, its past President and Chief Executive Officer, Michael Sperinck, and its past Chief Financial Officer, Peter Tanham.

**Compensation Discussion and Analysis**

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis; instead, it relies mainly on discussion between all Board members.

The Company’s executive compensation program has three principal components: base salary, incentive bonus plan and stock options.

Base salaries for all employees of the Company are established for each position through comparative salary surveys of similar type and size companies. Both individual and corporate performances are also taken into account.

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performances for executive officers and employees. No bonuses were paid to executive officers and employees during the most recently completed financial year.

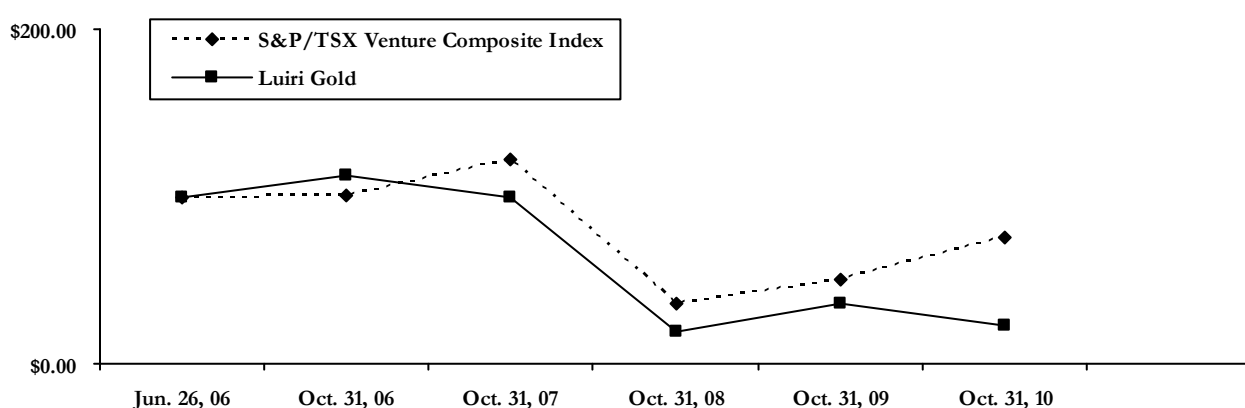
The Company has no other forms of compensation for the Company's executive officers, although payments may be made from time to time to individuals or companies the executive officers control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm’s length services providers.

***Performance Graph***

The chart below compares, assuming an initial investment of \$100, the yearly percentage change in the cumulative total shareholder return on the Company’s Common Shares against the cumulative total shareholder return of the S&P/TSX Venture Composite Index for the five most recently completed financial years since the Company listed on the TSX Venture Exchange on June 26, 2006.

The comparison excludes any exchange rate considerations. The historical prices of those Common Shares and the values of the S&P/TSX Venture Composite Index reflect information as of the last date prior to the fiscal year-end on which the TSX Venture Exchange was open for trading.

The Common Shares did not trade every day on the TSX Venture Exchange over the five most recently completed financial years. Where there was no trading on the last date prior to the date prior to the Company's fiscal year end, the price of the Common Shares on the nearest prior trading date on which the Common Shares were traded on the TSX Venture Exchange is used for comparison and such date is noted in the table below.



	Jun. 26, 06	Oct. 31, 06	Oct. 31, 07	Oct. 31, 08	Oct. 27, 09	Oct. 15, 10
<b>S&amp;P/TSX Venture Composite Index</b>	\$100.00	\$100.09	\$121.81	\$35.56	\$50.17	\$75.76
<b>Luiiri Gold Limited</b>	\$100.00	\$112.00	\$100.00	\$19.00	\$36.00	\$23.00

### *Option-Based Awards*

Stock options are granted to provide an incentive to the Directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards stock options to its executive officers based upon the full Board's review of a proposal from the Chief Executive Officer. Previous grants of incentive stock options are taken into account when considering new grants.

### **Summary Compensation Table**

The following table sets forth the total compensation paid to or earned by the Named Executive Officers for the Company's most recently completed financial year.

NAME AND PRINCIPAL POSITION	YEAR ENDED	SALARY (\$) <sup>(1)</sup>	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		PENSION VALUE (\$)	ALL OTHER COMPENSATION (\$)	TOTAL COMPENSATION (\$)
					ANNUAL INCENTIVE PLANS	LONG-TERM INCENTIVE PLANS			
Michael Sperinck <sup>(2)</sup>	2010	147,462	Nil	Nil	Nil	Nil	Nil	Nil	147,462
	2009	221,719	Nil	Nil	Nil	Nil	Nil	Nil	221,719
Peter Tanham <sup>(2)</sup>	2010	71,025	Nil	Nil	Nil	Nil	Nil	Nil	71,025
	2009	46,154	Nil	Nil	Nil	Nil	Nil	Nil	46,154

<sup>(1)</sup> Paid through management agreements. Pursuant to the terms of these agreements, Mr. Sperinck provided his services through Global Mining Services Pty Ltd, while Mr. Tanham provided his services through Westland Corporate Pty Ltd. See "Termination and Change of Control Benefits" below.

<sup>(2)</sup> Michael Sperinck resigned as CEO and Peter Tanham resigned as CFO/Company Secretary and were replaced by Melissa Sturgess and Mike Langoulant, respectively, in connection with the private placement of 5,875,000 Common Shares to Carlton Resources plc which was completed on 23 February, 2011.

### Incentive Plan Awards

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth the options granted to the Named Executive Officers to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year.

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS	
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS <sup>(1)</sup> (\$)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED (\$)
Michael Sperinck	1,435,500	0.50	June 23, 2011	Nil	N/A	N/A
Peter Tanham	717,750	0.50	June 23, 2011	Nil	N/A	N/A

<sup>(1)</sup> This amount is calculated based on the difference between the market value of the Common Shares underlying the options at the end of the most recently completed financial year, which was \$0.12 on the TSX-V, and the exercise or base price of the option

#### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to Named Executive Officers during the most recently completed financial year.

NEO NAME	OPTION-BASED AWARDS - VALUE VESTED DURING THE YEAR <sup>(1)</sup> (\$)	SHARE-BASED AWARDS - VALUE VESTED DURING THE YEAR (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION - VALUE EARNED DURING THE YEAR (\$)
Michael Sperinck	Nil	N/A	N/A
Peter Tanham	Nil	N/A	N/A

<sup>(1)</sup> This amount is calculated based on the difference between the market value of the Common Shares underlying the options at the end of the most recently completed financial year, which was \$0.12 on the TSX-V, and the exercise or base price of the option

### Pension Plan Benefits

The Company does not have a pension plan that provides for benefits to the Named Executive Officers at, following, or in connection with retirement.

### Termination and Change of Control Benefits

There are no contracts, agreements, plans or arrangements that provide for payments to any Named Executive Officer at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in any Named Executive Officer's responsibilities.

The Company was previously a party to (i) an agreement between the Company and Michael Sperinck, whereby the Company employed Michael Sperinck as President, Managing Director and Chief Executive Officer of the Company, and (ii) a consultancy agreement between the Company and Westland Corporate Pty Ltd ("Westland"), whereby the Company engaged Westland to procure the provision to the Company of the services of Peter Tanham as Chief Financial Officer of the Company, both of which contained termination and change of control provisions.

The employment contracts of Michael Sperinck and Peter Tanham were terminated effective upon the February 23, 2011 completion of the private placement of 5,875,000 Common Shares to Carlton Resources plc as publicly announced by the Company.

### Director Compensation

#### Director Compensation Table

The following table sets forth the value of all compensation provided to Directors, not including those Directors who are also Named Executive Officers, for the Company's most recently completed financial year.

DIRECTOR NAME	FEES EARNED <sup>(3)</sup> (\$)	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS) (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	PENSION VALUE (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
Richard Billingsley <sup>(1)</sup>	A\$32,500	Nil	Nil	Nil	N/A	Nil	A\$32,500
Gordon Richards <sup>(1)</sup>	A\$30,500	Nil	Nil	Nil	N/A	Nil	A\$30,500

DIRECTOR NAME	FEES EARNED <sup>(3)</sup> (\$)	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS) (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	PENSION VALUE (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
Declan Franzmann <sup>(2)</sup>	A\$32,500	Nil	Nil	Nil	N/A	Nil	A\$32,500
Michael McMullen <sup>(2)</sup>	A\$26,667	Nil	Nil	Nil	N/A	Nil	A\$26,667

<sup>(1)</sup> Richard Billingsley and Gordon Richards resigned as Directors of the Company effective 23 February 2011 in connection with the private placement of 5,875,000 Common Shares to Carlton Resources plc which completed on 23 February, 2011.

<sup>(2)</sup> Declan Franzmann and Michael McMullen resigned as Directors on November 29, 2010.

<sup>(3)</sup> Fees paid by way of monthly retainer.

### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth the options granted to the Directors of the Company, not including those Directors who are also Named Executive Officers, to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year.

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS	
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS <sup>(1)</sup> (\$)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED (\$)
Richard Billingsley	146,500	0.40	March 13, 2012	Nil	N/A	N/A
Gordon Richards	53,750	0.50	June 23, 2011	Nil	N/A	N/A
Declan Franzmann	Nil	Nil	Nil	Nil	N/A	N/A
Michael James McMullen	Nil	Nil	Nil	Nil	N/A	N/A

<sup>1)</sup> This amount is calculated based on the difference between the market value of the Common Shares underlying the options at the end of the most recently completed financial year, which was \$0.12 on the TSX-V, and the exercise or base price of the option

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth the value of option-based awards vested or earned and non-equity incentive plan compensation paid to the Directors of the Company, not including those Directors who are also Named Executive Officers, during the financial year ended October 31, 2010.

NAME	OPTION-BASED AWARDS - VALUE VESTED DURING THE YEAR <sup>(1)</sup> (\$)	SHARE-BASED AWARDS - VALUE VESTED DURING THE YEAR (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION - VALUE EARNED DURING THE YEAR (\$)
Richard Billingsley	Nil	N/A	N/A
Gordon Richards	Nil	N/A	N/A
Declan Franzmann	Nil	N/A	N/A
Michael James McMullen	Nil	N/A	N/A

<sup>(1)</sup> This amount is calculated based on the difference between the market value of the Common Shares underlying the options at the end of the most recently completed financial year, which was \$0.12 on the TSX-V, and the exercise or base price of the option

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information pertaining to the Company's equity compensation plans as at the end of the most recently completed financial year:

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS <sup>(1)</sup> (A)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (B)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A)) <sup>(2)</sup> (C)
Equity compensation plans approved by securityholders	2,207,000	0.50	7,939,690
Equity compensation plans not approved by securityholders	1,596,500	0.41	Nil
<b>TOTAL</b>	<b>3,803,500</b>	<b>0.46</b>	<b>7,939,690</b>

<sup>(1)</sup> All securities are common shares issuable under the Stock Option Plans pursuant to the exercise of outstanding options.

<sup>(2)</sup> The Stock Option Plans permit the issuance of that number of Common Shares equal to ten percent (10%) of the number of Common Shares outstanding from time to time. The number of Common Shares remaining available for future issuances under the Plan is calculated based upon 117,431,905 Common Shares outstanding as at May 12, 2011.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Information Circular, there is no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing, to the Company or any of its subsidiaries, or owing to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, either pursuant to a purchase of securities of the Company or otherwise.

No individual who is, or at any time, during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person (as defined in National Instrument 51-102, *Continuous Disclosure Obligations*) 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 transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

Management functions of the Company and its subsidiaries are substantially performed by the Company's Directors and executive officers. The Company has not entered into any contracts, agreements or arrangements with parties other than its Directors and executive officers for the provision of such management functions.

### **CORPORATE GOVERNANCE**

#### **General**

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure in Form 58-101F1 is appended as Schedule "B" to this Information Circular.

#### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board will, assuming the election of management's nominees for appointment to the Board as described in this Information Circular, be comprised of four (4) Directors, two of whom will be independent for the purposes of NI 58-101. Melissa Sturgess is not independent since she serves as the Chief Executive Officer and President of the Company. Michael Langoulant is not independent since he serves as Chief Financial Officer of the Company.

#### **Directorships**

Certain of the Directors and proposed Directors are also directors of other reporting issuers, as follows:

DIRECTOR	OTHER REPORTING ISSUERS
Melissa Sturgess	Nyota Minerals Limited
Michael Langoulant	Nyota Minerals Limited; White Cliff Nickel Limited
Evan Kirby	Nyota Minerals Limited; Bezant Resources Plc
Robert Brown	Cedar Woods Properties Limited

### **Orientation and Continuing Education**

Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to the director. The Company provides continuing education for its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

### **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals.

In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure directors exercise independent judgment in considering transactions and agreements in respect of which director or executive officer has a material interest.

The Board has also adopted a Code of Conduct and Corporate Disclosure policy to encourage and promote a culture of ethical business conduct. Copies of these policies are accessible on the Company's website [www.luirigold.com](http://www.luirigold.com).

### **Nomination of Directors**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President of the Company. The Board monitors but does not formally assess the performance of individual Board members or committee members on their contributions.

### **Compensation**

Director and chief executive officer compensation is ultimately determined by the Board, in consideration of the compensation paid by other similarly-situation public companies operating within the same industry as the Company and of the duties, responsibilities and demands placed upon the members of the Board and the chief executive officer, respectively.

### **Other Board Committees**

Other than the Audit Committee, there are no other board committees.

## Assessments

The Board has not implemented a formal process or means to regularly assess the effectiveness of the Board, its committees or individual directors. Effectiveness is informally assessed on an ongoing basis, however, based upon the ability of the directors to fulfill their duties and responsibilities in a timely and efficient manner. The relatively small size of the Board allows for the contributions of an individual director to be informally monitored by the other Board members, in light of the individual's business and governance strengths and the specific purpose, if any, for which the individual was originally nominated to the Board. In accordance with its charter, the Audit Committee is required to annually assess its charter and submit any proposed changes to the Board for approval.

The Company feels its corporate governance practices are appropriate and effective, given its relatively small size and the nature of its operations. These practices allow the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excess administrative burden or delay.

## AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees ("NI 52-110") reporting issuers 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 provides the following disclosure with respect to its Audit Committee:

### Audit Committee Charter

A copy of the Audit Committee's charter is attached as of Schedule "C" to this Information Circular.

### Composition of Audit Committee

The following are the members of the Audit Committee:

Robert Brown	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Evan Kirby	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Michael Langoulant	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined by NI 52-110.

### Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee are as follows:

Mr. Robert Brown has extensive experience as a public company executive and director and has served on numerous public company audit committees.

Mr. Evan Kirby is a professional metallurgist and has experience as a public company executive and director and has served on numerous public company audit committees.

Mr. Michael Langoulant is a Chartered Accountant and has extensive experience as a public company executive and director and has served on numerous public company audit committees.

### Reliance on Certain Provisions or Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the following provisions or exemptions under the following sections of NI 52-110: Section 2.4 (De Minimis Non-audit Services), Section 3.2 (*Initial Public Offerings*), Section 3.2(2) (*Controlled Companies*), Section 3.4 (*Events Outside Control of Member*), Section 3.5 (*Death, Disability or Resignation of Audit Committee Member*), Section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*), Section 3.8 (*Acquisition of Financial Literacy*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

### Audit Committee Oversight

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

### 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 and 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 two financial years for audit and non-audit related services provided to the Company or its subsidiaries are as follows:

FINANCIAL YEAR ENDING Oct 31	AUDIT FEES	AUDIT-RELATED FEES	TAX FEES	ALL OTHER FEES
2010	\$29,000	Nil	Nil	\$1,500
2009	\$30,000	Nil	\$5,000	\$18,000

### ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company in writing c/o DuMoulin Black LLP, 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia Canada V6C 2T5 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, any person or company who wishes to receive interim financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope

provided, to the Company's registrar and transfer agent, Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

**GENERAL**

Unless otherwise specified, all matters referred to herein for approval by the Shareholders require a simple majority of the Shareholders voting, in person or by proxy, at the Meeting.

Where information contained in this 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 contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

DATED as of the 12th day of May 2011.

**BY THE ORDER OF THE BOARD OF  
DIRECTORS OF LUIRI GOLD LIMITED**

---

**MELISSA STURGESS**  
President and Chief Executive Officer

**Schedule "A -1**

**LUIRI GOLD LIMITED**

**Stock Option Plan**

(Directors, Senior Officers and Employees)

(2011)

**1. PURPOSE OF THE PLAN**

The Company hereby establishes a stock option plan for directors, senior officers, or employees (whether full-time or part-time) of the Company or of an Associated Body Corporate of the Company (collectively "Eligible Persons"), to be known as the "Stock Option Plan" (the "Plan"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over a period of up to ten years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

**2. DEFINITIONS**

In this Plan, the following terms shall have the following meanings:

**2.1 "Associate"** means an "Associate" as defined in the TSX Policies.

**2.2 "Associated Body Corporate"** of the Company means:

- (a) a body corporate that is a Related Body Corporate of the Company;
- (b) a body corporate that has voting power (as defined in the Corporations Act) in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power (as defined in the Corporations Act) of not less than 20%.

**2.3 "ASX"** means ASX Limited (ACN 980082624691) or the Australian Securities Exchange as the context requires.

**2.4 "ASX Listing Rules"** means the listing rules of the ASX.

**2.5 "Board"** means the Board of Directors of the Company.

**2.6 "Change of Control"** means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the

time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.

- 2.7 "**Company**" means Lui Gold Limited and its successors.
- 2.8 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.9 "**Corporations Act**" means the *Corporations Act* 2001 (Commonwealth of Australia).
- 2.10 "**Discounted Market Price**" of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under the TSX Policy applicable to Options.
- 2.11 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.12 "**Exchanges**" means the TSX Venture Exchange, the ASX and, if applicable, any other stock exchange on which the Shares are listed.
- 2.13 "**Expiry Date**" means the date set by the Board under subsection 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.14 "**Grant Date**" means the date specified in the Option Agreement as the date on which an Option is granted.
- 2.15 "**Insider**" means an "Insider" as defined in the British Columbia *Securities Act*.
- 2.16 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSX Policies.
- 2.17 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the *Securities Act*.
- 2.18 "**Market Price**" of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the

total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.

- 2.19 "**Option**" means an option to purchase Shares granted pursuant to this Plan.
- 2.20 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.21 "**Optionee**" means each of Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.22 "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.23 "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.24 "**Plan**" means this Stock Option Plan.
- 2.25 "**Related Body Corporate**" " means a "Related Body Corporate" as defined in the *Corporations Act*.
- 2.26 "**Related Party**" means a "Related Party" as defined in the *Corporations Act*.
- 2.27 "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.28 "**Securities Act**" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.29 "**TSX Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSX Policy" means any one of them.
- 2.30 "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.31 "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### **3. GRANT OF OPTIONS**

#### **3.1 Option Terms**

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee. No amount will be payable on the grant of an Option.

#### **3.2 Shareholder approval needed for Options to Directors**

For so long as required by the ASX Listing Rules and/or the Corporations Act, the Company must obtain shareholder approval before Options may be granted to any Eligible Person who is a Director of, or otherwise a Related Party of, the Company.

#### **3.3 Issue of invitations**

- (a) Promptly after resolving to authorize the issue of Options to Eligible Persons, the Board will cause the Company to issue an invitation (in such form as the Board decides from time to time) to such Eligible Person, inviting such Eligible Person to apply for a grant of up to the number of Options specified in the invitation (the "**Specified Options**"), on the terms specified therein (including Exercise Price and vesting conditions) and setting out a period in which the invitation may be accepted.
- (b) Without limiting the generality of Rule 3.1B, the number of Specified Options will be determined by the Board in its absolute discretion.
- (c) Without limiting the generality of Rule 3.1B, the Board may stipulate that the Specified Options may only be exercised if certain conditions are met, including that the Company and/or the Eligible Person achieves stipulated performance criteria.

#### **3.4 Limits on Shares Issuable on Exercise of Options**

Notwithstanding anything in these Rules to the contrary, for so long as the TSX Rules apply, the maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time. The number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis; and
- (b) to any one Optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.

Notwithstanding anything in these Rules to the contrary, for so long as the TSX Rules apply, the number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to all Insiders shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis;
- (b) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (c) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, which Options are to be vested in stages over a one-year period and no more than one-quarter (1/4) of such Options may be vested in any three (3) month period.

### 3.5 Limits on Shares Issuable in Australia

Where the Board authorizes the issue of Options to Eligible Persons situated in Australia or for sale in Australia, the maximum number of Shares which may be allocated for subscription under the Plan shall not exceed 5% of the Company's issued shares as at the time of the offer or invitation to grant the Option.

For the purpose of calculating the limit contained in this subsection 3.5 the Company will **include:**

- (a) the number of Shares to be received on exercise of an Option the subject of an invitation or grant; and
- (b) the number of Shares which would be issued if each outstanding invitation to grant Options under the Plan or any other stock option plan of the Company were to be accepted or exercised; and
- (c) the number of Shares issued during the previous 5 years pursuant to the Plan or any other stock option plan of the Company.

The Company will **not include:**

- (a) invitations to Eligible Persons situated outside of Australia at the time of receipt of the invitation; or
- (b) invitations that did not require disclosure to investors because of section 708 of the Corporations Act; or

- (c) invitations made under a disclosure document (within the meaning of the Corporations Act)

### **3.6 Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide employee of the Company or its Associated Body Corporate. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **4. EXERCISE OF OPTION**

### **4.1 When Options May be Exercised**

Subject to subsection 4.4, the Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule. Each Option may be exercised to purchase any number of Shares up to the number of Unissued Option Shares at any time after the Grant Date upon satisfaction of all vesting conditions, provided that this Plan has been previously approved by the shareholders of the Company, up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2 Overriding Restriction on Issue and Exercise of Options**

Notwithstanding any terms of any Option or any provision of this Plan to the contrary, Options may only be issued or exercised within the limitations imposed by the Corporations Act, the ASX Listing Rules and the TSX Policies.

### **4.3 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### **4.4 Termination of Employment**

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date.

(b) Termination For Cause

If the Optionee ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged; any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, the Optionee's employer, ceases to be an Eligible Person.

#### 4.5 **Effect of a Take-Over Bid**

If a *bona fide* offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon the Option Shares subject to such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or

- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised. If any Option Shares are returned to the Company under this subsection 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days notice is required.

#### **4.7 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option may be exercised in whole or in part by the Optionee.

#### **4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, by the cancellation of the right to purchase Option Shares under the Option Agreement shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### **4.9 Shares Not Acquired or Exercised**

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a further Option granted pursuant to the provisions of the Plan.

## **5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

### **5.1 Reorganisation of capital**

Notwithstanding any other provision in this Plan, in the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company on at any time before the Expiry Date of the Options, all rights of the Optionee are to be changed in a manner consistent with the ASX Listing Rules.

### **5.2 No participation rights**

There are no participating rights or entitlements inherent in the Options and the Optionee will not be entitled to participate in new issues of capital which may be offered to holders of Shares before the Expiry Date of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionees the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.

### **5.3 Bonus issues**

If there is a bonus issue ("Bonus Issue") to holders of Shares on or before the Expiry Date of the Options, then the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionee would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

### **5.4 Pro rata issues**

In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rules.

### **5.5 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following an adjustment pursuant to the operation of any of one of subsection 5.1, 5.3 or 5.4, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

## **5.6 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of subsection 5.1, 5.3 or 5.4 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

## **6. MISCELLANEOUS**

### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

### **6.2 Necessary Approvals**

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3 Administration of the Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in subsection 5.5, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4 Income Taxes**

As a condition of and prior to participation of the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

## **6.5 Amendments to the Plan**

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

## **6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

## **6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

## **6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchanges having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

## **6.9 No Assignment**

No Optionee may assign any of his or her rights under the Plan or any Option granted thereunder.

## **6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

## **6.11 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

**6.12 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the Province of British Columbia.

**6.13 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**6.14 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**Approved by the Board of Directors on April 14, 2011.**

*s/ "Melissa Sturgess"*

\_\_\_\_\_  
Melissa Sturgess, President

**SCHEDULE "A"**

**LUIRI GOLD LIMITED  
STOCK OPTION PLAN**

**OPTION AGREEMENT**

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ■, 200■ [four months and one day after the date of grant].*

This Option Agreement is entered into between LuiRI Gold Limited (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ■, 200■ (the "Grant Date");
2. ■ (the "Optionee");
3. was granted the option (the "Option") to purchase ■ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$■ per share;
5. which shall be exercisable as fully Vested from the Grant Date;
6. terminating on the ■, 200■ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have been granted, they continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ■ day of ■, 200■.

**LUIRI GOLD LIMITED**  
Per:

\_\_\_\_\_  
OPTIONEE

\_\_\_\_\_  
Authorized Signatory

## Schedule "A-2"

### LUIRI GOLD LIMITED

#### Stock Option Plan (Consultants)

(2011)

#### 1. PURPOSE OF THE CONSULTANT PLAN

The Company hereby establishes a stock option plan for Consultants and Consultant Company employees (whether full-time or part-time) of the Company or of an Associated Body Corporate of the Company (collectively "Eligible Persons"), to be known as the "Consultant Stock Option Plan" (the "Consultant Plan"). The purpose of the Consultant Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over a period of up to ten years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

#### 2. DEFINITIONS

In this Consultant Plan, the following terms shall have the following meanings:

**2.1 "Associate"** means an "Associate" as defined in the TSX Policies.

**2.2 "Associated Body Corporate"** of the Company means:

- (a) a body corporate that is a Related Body Corporate of the Company;
- (b) a body corporate that has voting power (as defined in the Corporations Act) in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power (as defined in the Corporations Act) of not less than 20%.

**2.3 "ASX"** means ASX Limited (ACN 980082624691) or the Australian Securities Exchange as the context requires.

**2.4 "ASX Listing Rules"** means the listing rules of the ASX.

**2.5 "Board"** means the Board of Directors of the Company.

**2.6 "Change of Control"** means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.

- 2.7 "**Company**" means Luiiri Gold Limited and its successors.
- 2.8 "**Consultant**" means a "Consultant" as defined in the TSX Policies.
- 2.9 "**Consultant Company**" means a "Consultant Company" as defined in the TSX Policies.
- 2.10 "**Consultant Plan**" means this Consultant Stock Option Plan.
- 2.11 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.12 "**Corporations Act**" means the *Corporations Act 2001* (Commonwealth of Australia).
- 2.13 "**Discounted Market Price**" of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under the TSX Policy applicable to Options.
- 2.14 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.15 "**Exchanges**" means the TSX Venture Exchange, the ASX and, if applicable, any other stock exchange on which the Shares are listed.
- 2.16 "**Expiry Date**" means the date set by the Board under subsection 3.1 of the Consultant Plan, as the last date on which an Option may be exercised.
- 2.17 "**Grant Date**" means the date specified in the Option Agreement as the date on which an Option is granted.
- 2.18 "**Insider**" means an "Insider" as defined in the British Columbia *Securities Act*.
- 2.19 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSX Policies.
- 2.20 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the *Securities Act*.
- 2.21 "**Market Price**" of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.

- 2.22 **"Option"** means an option to purchase Shares granted pursuant to this Consultant Plan.
- 2.23 **"Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.24 **"Optionee"** means each of Eligible Persons granted an Option pursuant to this Consultant Plan and their heirs, executors and administrators.
- 2.25 **"Option Price"** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.26 **"Option Shares"** means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.27 **"Related Body Corporate"** " means a "Related Body Corporate" as defined in the *Corporations Act*.
- 2.28 **"Related Party"** means a "Related Party" as defined in the *Corporations Act*.
- 2.29 **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.30 **"Securities Act"** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.31 **"TSX Policies"** means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSX Policy" means any one of them.
- 2.32 **"Unissued Option Shares"** means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.33 **"Vested"** means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### **3. GRANT OF OPTIONS**

#### **3.1 Option Terms**

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee. No amount will be payable on the grant of an Option.

### 3.2 Issue of invitations

- (a) Promptly after resolving to authorize the issue of Options to Eligible Persons, the Board will cause the Company to issue an invitation (in such form as the Board decides from time to time) to such Eligible Person, inviting such Eligible Person to apply for a grant of up to the number of Options specified in the invitation (the "**Specified Options**"), on the terms specified therein (including Exercise Price and vesting conditions) and setting out a period in which the invitation may be accepted.
- (b) Without limiting the generality of section 3.2(a), the number of Specified Options will be determined by the Board in its absolute discretion.
- (c) Without limiting the generality of section 3.2(a), the Board may stipulate that the Specified Options may only be exercised if certain conditions are met, including that the Company and/or the Eligible Person achieves stipulated performance criteria.

### 3.3 Limits on Shares Issuable on Exercise of Options

Notwithstanding anything in these Rules to the contrary, for so long as the TSX Rules apply, the maximum number of Shares which may be issuable pursuant to options granted under the Consultant Plan and all of the Company's other previously established or proposed share compensation arrangements shall be that number equal to 10% of the Company's issued share capital from time to time. The number of Shares reserved for issuance under the Consultant Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis; and
- (b) to any one Optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.

Notwithstanding anything in these Rules to the contrary, for so long as the TSX Rules apply, the number of Shares which may be issuable under the Consultant Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;
- (b) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (c) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, which Options are to be vested in stages over a one-year period and no more than one-quarter (1/4) of such Options may be vested in any three (3) month period.

### **3.4 Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Consultant Plan and in the Option Agreement applicable to that Optionee. For stock options issued to Consultants or Consultant Company employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Consultant or Consultant Company employee, as the case may be, of the Company or its subsidiary.

The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Consultant Plan.

## **4. EXERCISE OF OPTION**

### **4.1 When Options May be Exercised**

Subject to subsection 4.4, the Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule. Each Option may be exercised to purchase any number of Shares up to the number of Unissued Option Shares at any time after the Grant Date upon satisfaction of all vesting conditions, provided that this Consultant Plan has been previously approved by the shareholders of the Company, up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2 Overriding Restriction on Issue and Exercise of Options**

Notwithstanding any terms of any Option or any provision of this Consultant Plan to the contrary, Options may only be issued or exercised within the limitations imposed by the Corporations Act, the ASX Listing Rules and the TSX Policies.

### **4.3 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Consultant Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### **4.4 Termination of Employment**

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a Consultant Company, the death or Disability of the person who provides management or consulting services to the Consultant Company or to any entity controlled by the Consultant Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date.

(b) Termination For Cause

If the Optionee, or in the case of a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Consultant Company, the Optionee's employer, is engaged; any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

**4.5 Effect of a Take-Over Bid**

If a *bona fide* offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon the Option Shares subject to such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or

- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised. If any Option Shares are returned to the Company under this subsection 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Consultant Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Consultant Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Consultant Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days notice is required.

#### **4.7 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option may be exercised in whole or in part by the Optionee.

#### **4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, the Optionee's employer, retires, resigns or is terminated from engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, by the cancellation of the right to purchase Option Shares under the Option Agreement shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### **4.9 Shares Not Acquired or Exercised**

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a further Option granted pursuant to the provisions of the Consultant Plan.

## **5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

### **5.1 Reorganisation of capital**

Notwithstanding any other provision in this Consultant Plan, in the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company on at any time before the Expiry Date of the Options, all rights of the Optionee are to be changed in a manner consistent with the ASX Listing Rules.

### **5.2 No participation rights**

There are no participating rights or entitlements inherent in the Options and the Optionee will not be entitled to participate in new issues of capital which may be offered to holders of Shares before the Expiry Date of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionees the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.

### **5.3 Bonus issues**

If there is a bonus issue ("Bonus Issue") to holders of Shares on or before the Expiry Date of the Options, then the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionee would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

### **5.4 Pro rata issues**

In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rules.

### **5.5 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following an adjustment pursuant to the operation of any of one of subsection 5.1, 5.3 or 5.4, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### **5.6 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Consultant Plan pursuant to the operation of any one of subsection 5.1, 5.3 or 5.4 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

## **6. MISCELLANEOUS**

### **6.1 Right to Terminate**

Neither this Consultant Plan nor any of the provisions hereof shall interfere in any way with the right of the Company or any subsidiary of the Company to terminate the engagement of any Consultant or Consultant Company.

### **6.2 Necessary Approvals**

The Consultant Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Consultant Plan prior to such approval shall only be exercised upon the receipt of such approval. The obligation of the Company to sell and deliver Shares in accordance with the Consultant Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3 Administration of the Consultant Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Consultant Plan, to interpret the Consultant Plan, to prescribe, amend and rescind rules and regulations relating to the Consultant Plan and to make all other determinations deemed necessary or advisable in respect of the Consultant Plan. Except as set forth in subsection 5.5, the interpretation and construction of any provision of the Consultant Plan by the Directors shall be final and conclusive. Administration of the Consultant Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4 Income Taxes**

As a condition of and prior to participation of the Consultant Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Consultant Plan.

### **6.5 Amendments to the Consultant Plan**

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Consultant Plan, suspend, terminate or discontinue the Consultant Plan at any time, or amend or revise the terms of the Consultant Plan or of any Option granted under the Consultant Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an Optionee under the Consultant Plan without the consent of that Optionee. Any amendments to the Consultant Plan or options granted thereunder will be subject to the approval of the shareholders.

**6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

**6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Consultant Plan.

**6.8 Compliance with Applicable Law**

If any provision of the Consultant Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchanges having authority over the Company or the Consultant Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**6.9 No Assignment**

No Optionee may assign any of his or her rights under the Consultant Plan or any Option granted thereunder.

**6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

**6.11 Conflict**

In the event of any conflict between the provisions of this Consultant Plan and an Option Agreement, the provisions of this Consultant Plan shall govern.

**6.12 Governing Law**

The Consultant Plan and each Option Agreement issued pursuant to the Consultant Plan shall be governed by the laws of the Province of British Columbia.

**6.13 Time of Essence**

Time is of the essence of this Consultant Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**6.14 Entire Agreement**

This Consultant Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**Approved by the Board of Directors on April 14, 2011.**

*s/ "Melissa Sturgess"*  
Melissa Sturgess, President

**SCHEDULE "A"**

**LUIRI GOLD LIMITED**

**CONSULTANT  
STOCK OPTION PLAN**

**OPTION AGREEMENT**

***[THIS PARAGRAPH ONLY REQUIRED IF OPTIONS GRANTED AT A DISCOUNT TO MARKET PRICE PURSUANT TO RULES OF TSX VENTURE EXCHANGE] Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ■, 200■ [four months and one day after the date of grant].***

This Option Agreement is entered into between Luiri Gold Limited (the "Company") and the Optionee named below pursuant to the Company's Consultant Stock Option Plan (the "Consultant Plan"), a copy of which is attached hereto, and confirms that:

1. on ■, 200■ (the "Grant Date");
2. ■ (the "Optionee");
3. was granted the option (the "Option") to purchase ■ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$■ per share;
5. which shall be exercisable as fully Vested from the Grant Date;
6. terminating on the ■, 200■ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Consultant Plan. For greater certainty, once Options have been granted, they continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Consultant Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Consultant Plan and agrees to the terms and conditions of the Consultant Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ■ day of ■, 200■.

**LUIRI GOLD LIMITED**

Per:

\_\_\_\_\_  
OPTIONEE

\_\_\_\_\_  
Authorized Signatory

## SCHEDULE "B"

### LUIRI GOLD LIMITED

#### CORPORATE GOVERNANCE PRACTICES

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>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>Evan Kirby and Robert Brown are considered to be independent directors.</p> <p>Melissa Sturgess is not considered to be independent by virtue of her position as President and Chief Executive Officer of the Company.</p> <p>Michael Langoulant 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><i>Explanation for departure</i></p> <p>The Board considers that the Company is not currently of a size or complexity to require a majority of independent directors. If the Company's activities increase in size, scope and/or nature the appointment of additional independent directors will be considered by the Board.</p> <p>To facilitate its exercise of independent judgment in carrying out its responsibilities, the Board encourages the independent directors encourages the independent directors to meet at any time they consider necessary without any members of management, including the non-independent directors, being present.</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>Melissa Sturgess is a director of Nyota Minerals Limited. Robert Brown is a director of Cedar Woods Properties Limited. Evan Kirby is a director of Nyota Minerals Limited and Bezant Resources Plc. Michael Langoulant is a director of Nyota Minerals Limited and White Cliff Nickel Limited.</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. Ten Board meetings were held during fiscal 2010.</p> <p>Although there are not regularly scheduled meetings of the independent directors, to facilitate open and candid discussion among the independent directors, the board encourages the independent directors to meet at any time they consider necessary without any members of management, including the non-independent directors, being present.</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. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>	<p>Melissa Sturgess is the Chairman of the company. She is not an independent director. The Company does not perceive any additional benefits would accrue to the Company by the appointment of an independent chairperson.</p> <p>The Board has no formal procedures in place to provide leadership for its independent directors, although the Chairman endeavours to work with the independent directors to ensure that each independent director understands his responsibilities and those of management. The independent directors are encouraged to ask questions to the Chairman or to advisors of the Corporation, at the Corporation's expense.</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>All of the current directors commenced since the end of the most recently completed financial year. Below is the attendance record of each director in the most recently completed financial year, all of whom are no longer directors.</p> <p>Michael Sperinck – 10 (of 10) Board meetings  Peter Tanham – 9 (of 10) Board meetings  Gordon Richards – 8 (of 10) Board meetings  Richard Billingsley – 10 (of 10) Board meetings  Michael McMullen – 9 (of 10) Board meetings  Declan Franzmann – 9 (of 10) Board meetings</p>
<p>Disclose the text of the Board's written mandate.</p>	<p>Please refer to Appendix A for the "Director's 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. Currently, the Company has established only an Audit Committee.</p> <p>Positions descriptions will be developed in due course. To date the size of the Board has meant that all members take responsibility for the activities of the Board and, with the chair responsible for chairing meetings of the Board or particular Board committee (other than Audit).</p>
<p>Disclose whether or not the Board and CEO have</p>	<p>The Board and the CEO have not developed a written</p>

<p>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>position description for the CEO.</p> <p>The Board has communicated to the CEO that her responsibilities include generally managing the long term objectives of the Corporation, strategic planning and management of the operational agenda and implementation of the decisions of the Board.</p> <p>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 meet in person or telephonically with the CEO for a technical orientation session, while the CFO provides written and oral background information on the nature and operation of the Company's business, as well as its financial, committee, and secretarial functions.</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 Luiiri Gold Limited, c/o DuMoulin Black LLP, 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia Canada V6C 2T5, 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 judgment in considering transactions and agreements in</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</p>

<p>respect of which a director or executive officer has a material interest.</p>	<p>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> <ul style="list-style-type: none"> <li>(a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;</li> <li>(b) the competencies and skills that the Board considers necessary for each existing director to possess; and</li> <li>(c) the competencies and skills each new nominee will bring to the boardroom.</li> </ul>
<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. The Board encourages the involvement of all directors, including independent directors, with regard to nominations to encourage an objective nomination process.</p> <p><i>Explanation for departure</i> Given the current size of the Board, the Board considers that the corporate governance objectives can be efficiently achieved by the full board.</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 does not presently have a compensation committee.</p> <p>The full board will determine and agree 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</p>

	the Board of Directors. No director or manager is involved in any decisions as to their own remuneration.
<p>Disclose whether or not the Board has a compensation committee composed entirely of independent directors.</p> <p>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 Company does not presently have a compensation committee.</p> <p><i>Explanation for departure</i></p> <p>Given the current size of the Board, the Board considers that the corporate governance objectives can be efficiently achieved by the full board.</p> <p>When considering compensation the full Board will consider payments made by other similarly sized companies to ensure an objective process.</p>
<p>If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	Not applicable.
<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>	Not applicable.
<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 not established any committees other than the Audit Committee.</p> <p><i>Explanation for departure</i></p> <p>Given the current size of the Board, the Board considers that the corporate governance objectives can be efficiently achieved by the full board.</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> <p>The Board satisfies itself that the it, the Audit Committee and the individual directors are performing effectively through an informal process of engagement and dialogue between the Chair and the individual directors.</p>

## **Appendix A**

### **Director's position description**

Every Director of the Corporation 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 Corporation.
- (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 Corporation. 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 Corporation's activities should be presumed to be confidential unless released to the public.
3. Directors may not profit at the expense of the Corporation. They may not divert opportunities or benefits from the Corporation to themselves or put themselves in a position of conflict by competing with the Corporation 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 judgment 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.

## SCHEDULE "C"

### AUDIT COMMITTEE'S CHARTER

The Luri Gold Limited audit committee charter is 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 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 Corporation or an affiliate of the Corporation. 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 Corporation 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 Corporation's financial reporting as reported to the audit committee by management. *Timing: annually near year-end or as required.*

6. Review estimates and 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 Corporation, between the external auditor and the Corporation 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 Corporation 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 Corporation also shall be given such notice of meetings and shall be entitled to attend and be heard thereat, and that 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 Corporation 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.*