LUIRI GOLD LIMITED

EXEMPT COMPANY NO. 46884
ARBN 139 588 926

Annual Report
31 December 2014

LUIRI GOLD LIMITED

EXEMPT COMPANY - 46884

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LUIRI GOLD LIMITED

EXEMPT COMPANY - 46884

CORPORATE INFORMATION

Directors	Rob Brown Evan Kirby (resigned 15 September 2014) Michael Langoulant (resigned 15 September 2014) Angela Pankhurst (appointed 15 September 2014) Peter Hawkins (appointed 15 September 2014)
Company secretary	Angela Pankhurst (appointed 15 September 2014)
Registered office	Clarendon House 2 Church Street Hamilton, Bermuda
Australian office	c/- Westland Settlements Pty Ltd Level 1, 55 St Georges Tce Perth, Western Australia 6000 Telephone: +61-8 9218 9002 Facsimile: +61-8 6323 4661
Share registry	Computershare Investor Services Pty Ltd Reserve Bank Building Level 2, 45 St George's Terrace Perth, Western Australia 6000
Auditors	HLB Mann Judd Chartered Accountants Level 4, 130 Stirling Street Perth, Western Australia 6000
Solicitors	HWL Ebsworth Lawyers Level 11, 167 St Georges Tce Perth, Western Australia 6000
ASX code	Luiri Gold Limited is listed on the Australian Securities Exchange (Shares: LGM)
Website	www.luirigold.com

LUIRI GOLD LIMITED
DIRECTORS' REPORT

Your Directors present their financial report for the year ended 31 December 2014. The financial report is prepared in accordance with the Bermudian Companies Act, 1981.

Directors

The following persons were Directors of Luiri Gold Limited (**the Company or Luiri**) during the whole of the period and up to the date of this report unless otherwise stated:

Robert Brown – *Non-executive Chairman*
Peter Hawkins – *Non-Executive Director (appointed 15 September 2014)*
Angela Pankhurst – *Executive Director (appointed 15 September 2014)*
Evan Kirby – *Technical Director (resigned 15 September 2014)*
Michael Langoulant – *Executive Director (resigned 15 September 2014)*
Melissa Sturgess – *Executive Director (resigned 13 February 2014)*.

Review of operations

On 30 June 2014 the Company completed the sale of its subsidiaries which held the Luiri Hill Gold Project ("Project"). As a result of the sale the Company was relieved of current, non-current and contingent liabilities of approximately US$520,000 and the Company's interest in the mining licences changed from 100% to 0%.

Luiri Hill Gold Project, Zambia

The Project consists of 2 large scale mining licenses, 8074-HQ-LML (32km2) and 14948-HQ-LML (245km2), covering a total area of 277km2 ("Tenements"). In October 2013 the environmental permit was granted for the Project and in November 2013 a detailed, independent feasibility issued by Coffey Mining confirmed that the Project is technically feasible and economically viable in the current gold price environment. In December 2013 a bulldozer and grader were mobilised to site to commence pre-development activities.

However, despite approaching an array of potential partners/funders the Company was unable, in its own right, to secure funding (neither debt nor equity nor a mixture of both) to satisfy the Zambian Government imposed development requirement.

The Company was able to secure in December 2013 a Heads of Agreement ("HOA") with Bamboo Rock Limited ("Bamboo") under which Bamboo agreed to acquire 75% of the Project, with Luiri retaining a 25% contributing interest. During the first half of 2014 both Luiri and Bamboo investigated various development alternatives and funding options with a view to implementing the December 2013 HOA.

This process included the Company securing a confirmed development schedule from the Zambian government that tied the timing of the Project's development obligations to provision of an increased and upgraded electrical power supply to the Project site, a key risk to successful development. Notwithstanding the development/power delivery concession from the Zambian government, the ongoing lack of clarity on the schedule for power availability remained an issue. Indeed after considering an array of Project development scenarios the Board of Luiri concluded that the Project did not offer an appropriate risk/reward outcome for the Company to continue to commit funds to it.

As a result the Bamboo HOA was re-negotiated such that Luiri sold 100% of the Project to Bamboo, with this sale being approved by shareholders at the Company's AGM on 23 June 2014. Settlement of the sale completed on 30 June 2014.

LUIRI GOLD LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014

Corporate

Given the difficulty in sourcing finance for the Project and in equity markets in general the Company made significant cuts to its corporate overheads and operational costs, including reducing the number of Board members from 4 to 3 with the resignation of Melissa Sturgess in February 2014.

In April 2014 the Company completed a private placement, in accordance with LR7.1, to professional and sophisticated investors of 28 million ordinary shares at an issue price of $0.005 to raise $140,000 for general working capital.

At the AGM In June 2014, shareholders also approved the payment of outstanding directors' fees totalling $100,000 in shares at an issue price of $0.005, and the issue of 10,000,000 shares at an issue price of $0.0448 to satisfy contractual obligation to the local community in Zambia.

After completing the sale of the Project and half-year reporting, and with no immediate funding available, the Company reduced its expenditure to that essential for running an ASX Listed company. In September 2014 Mike Langoulant and Evan Kirby resigned as directors and Angela Pankhurst and Peter Hawkins were appointed. Mr Hawkins is a non-executive director and will be paid for his services in shares, subject to shareholder approval, at the same time and price as the next capital raising. Ms Pankhurst is Director/Company Secretary and is being paid a retainer to manage all compliance, accounting and administration of the Company.

In December 2014, the Company received a $25,000 loan from a shareholder related to Robert Brown. Subsequent to year end, a convertible loan agreement was signed. The loan is repayable in shares at $0.002/share, subject to shareholders approving a reduction in the par value of the Company's shares and approving the issue of the shares, at the Company's AGM.

On 24 December the Company's shares were suspended from quotation on the ASX in accordance with ASX requirements, as it had not acquired new "activities" within the 6 months from the sale of its subsidiaries. The Board continues to seek a new project and financing.

This report is signed in accordance with a resolution of Directors.

Angela Pankhurst
Director/Company Secretary

Perth
31 March 2015

LUIRI GOLD LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014

	Note	Consolidated 12 months ended 31 December $	Consolidated 14 months ended 31 December 2013 $
Continuing Operations			
Interest income		4,735	45,374
Other income	2	-	10,000
		4,735	55,374
Depreciation		2,172	5,849
Loss on disposal of fixed assets		5,358	-
Foreign exchange loss		1,117	8,680
Other expenses	2	339,477	906,084
Share-based payment expense		108,059	518,930
		456,183	1,439,543
Loss before income tax expense		(451,488)	(1,384,169)
Income tax expense	3	-	-
Loss after income tax from continuing operations		(451,488)	(1,384,169)
Discontinued operations			
Loss after tax from discontinued operations	20	(1,489,981)	(3,873,540)
Loss for the period		(1,941,429)	(5,257,709)
Other comprehensive income			
Items which may be reclassified to profit and loss:			
Exchange differences on translation of foreign subsidiaries		-	(95,240)
Reclassification of exchange differences in prior years, on sale of subsidiaries		1,665,057	-
Total comprehensive result for the period		(276,372)	(5,352,949)
		Cents	**Cents**
Basic loss per share from continuing and discontinued operations (cents per share)	4	(0.6)	(2.1)
Basic loss per share from continuing operations (cents per share)	4	(0.1)	(0.5)
Basic loss per share from discontinued operations (cents per share)	4	(0.5)	(1.6)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

LUIRI GOLD LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Consolidated 31 December 2014 $	Consolidated 31 December 2013 $
Current assets			
Cash and cash equivalents		19,294	228,606
Trade and other receivables	6	167,219	87,660
Total current assets		186,513	316,266
Non-current assets			
Plant and equipment	7	-	119,202
Mining properties	8	-	250,000
Total non-current assets		-	369,202
Total assets		186,513	685,468
Current liabilities			
Trade and other payables	9	66,676	550,326
Total current liabilities		66,676	550,326
Non-current liabilities			
Provisions	10	-	117,892
Total non-current liabilities		-	117,892
Total liabilities		66,676	668,218
Net assets		119,837	17,250
Equity			
Issued capital	11	3,211,065	27,588,627
Shares to be issued	11	189,426	448,000
Reserves	12	32,077,449	5,397,297
Accumulated losses		(35,358,103)	(33,416,674)
Total equity		119,837	17,250

The above statement of financial position should be read in conjunction with the accompanying notes.

LUIRI GOLD LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2014

	Consolidated				
	Issued capital $	Shares to be issued $	Accumulated losses $	Reserves $	Total equity $
Balance as at 31 October 2012	25,653,478	448,000	(28,158,965)	4,970,953	2,913,466
Loss for the period	-	-	(5,257,709)	-	(5,257,709)
Other comprehensive income	-	-	-	(95,240)	(95,240)
Total comprehensive result for period	-	-	(5,257,709)	(95,240)	(5,352,949)
Shares issued during the period (net of issue costs)	1,935,149	-	-	-	1,935,149
Share-based compensation	-	-	-	521,584	521,584
Balance at 31 December 2013	27,588,627	448,000	(33,416,674)	5,397,297	17,250
Balance as at 31 December 2013	27,588,627	448,000	(33,416,674)	5,397,297	17,250
Loss for the period	-	-	(1,941,429)	-	(1,941,429)
Other comprehensive income	-	-	-	1,665,057	1,665,057
Total comprehensive result for period	-	-	(1,941,429)	1,665,057	(276,372)
Shares issued during the period	623,040	(448,000)	-	64,960	240,000
Shares to be issued	-	189,426	-	(158,526)	30,900
Re-categorization of equity (refer note11(b))	(25,000,602)	-	-	25,000,602	-
Share-based compensation	-	-	-	108,059	108,059
Balance at 31 December 2014	3,211,065	189,426	(35,358,103)	32,077,449	119,837

The above statement of changes in equity should be read in conjunction with the accompanying notes.

LUIRI GOLD LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2014

	Note	Consolidated 12 months ended 31 December 2014 $	Consolidated 14 months ended 31 December 2013 $
Cash flows from operating activities			
Receipts from customers		-	10,000
R&D tax incentive		365,232	-
Payments to suppliers and employees		(743,136)	(4,100,723)
Interest received		4,735	47,544
Net cash outflow from operating activities	14	(373,169)	(4,043,179)
Cash flows from investing activities			
Proceeds from sale of assets		-	5,335
Cash in sold subsidiary		(26)	-
Payments for plant and equipment		-	(16,911)
Net cash outflow from investing activities		(26)	(11,576)
Cash flows from financing activities			
Proceeds from the issue of securities		140,000	2,138,120
Proceeds from shareholder loan		25,000	-
Capital raising costs		-	(200,317)
Net cash inflow from financing activities		165,000	1,937,803
Net decrease in cash held		(208,195)	(2,116,952)
Cash at the beginning of the period		228,606	2,449,477
Effect of exchange rate changes on cash and cash equivalents		(1,117)	(103,919)
Cash at the end of the period		19,294	228,606

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report for the reporting period ended 31 December 2014 has been prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

The financial report is presented in Australian dollars. The Company is listed on the Australian Securities Exchange (ASX: LGM). The Company is a Bermudian incorporated company subject to the Bermudian Companies Act, 1981 as amended from time to time. The Company is not subject to the Australian Corporations Act, 2001.

The financial report has been prepared on a historical cost basis. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

Comparatives

The Company has changed its year end from 31 October to 31 December, in 2013, in order to match the year end of the parent company with that of its then Zambian operating subsidiary. The prior year reporting period is for a 14 month period and as a result the amounts presented in these financial statements are not necessarily entirely comparable.

(b) Going Concern

The Company and its controlled entity (**Group**) as at reporting date do not generate sufficient cash flows to finance their administration or to acquire new operations. Thus the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the Group being successful in completing a capital raising during the next 12 months. The Directors have mitigated this risk by reducing the Group's corporate overheads as much as possible.

As a result of these matters, there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. However, the Directors believe that the Group will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

(c) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the period ended 31 December 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the IASB that are relevant to the Group's operations and effective for the current annual reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

New standards and interpretations not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change necessary to Group accounting policies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Statement of compliance

The financial report complies with International Financial Reporting Standards (IFRS) and was authorised by the Board of Directors for issue on 31 March 2015.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Luiri Gold Limited ("Company" or "parent entity") and its controlled entity as at 31 December 2014 (the "Group").

The financial statements of the controlled entity are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(f) Significant accounting judgements estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation costs carried forward

The Group's main activity, until June 2014, was exploration for and evaluation of mineral deposits. The nature of exploration activities are such that it requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate mining viability may change from period to period. In addition, exploration activities by their nature are inherently uncertain. Changes in all these factors can impact exploration asset carrying values.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model using the assumptions contained in Note 13.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(h) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Temporary bank overdrafts are included in cash at bank and in hand. Permanent bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office equipment – 10-30%
Plant and equipment – 15%
Motor vehicles – 25%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, for each reporting period.

(k) Impairment of assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating-unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating-unit is considered impaired and is written down to its recoverable amount.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial periods.

Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(m) Provisions

Where applicable, provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not made for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are measured at the net present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Share-based payment transactions

Equity settled transactions

The Group provides benefits to employees and consultants of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black and Scholes model, further details of which are given in Note 13.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which any performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised as at the beginning and end of that year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 4).

(o) Issued capital

Ordinary shares are classified as equity. Luiri Gold Limited is a Bermuda Registered company and its shares have a par value of US$0.01. In prior years, any amount paid for shares in excess of the par value was accounted for as issued capital. In the current year, any amount paid for shares in excess of the par value is accounted for in the share premium reserve, any discount to par value is accounted for in the capital reserve. Share issue costs are offset against the share premium reserve or capital reserve as appropriate. Par value is recorded in A$ at the exchange rate on the date of issue of the shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(q) Exploration and evaluation expenditure

Exploration costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial year and accumulated acquisition costs written off to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian subsidiary is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations, Luiri Gold Mines Limited is Zambian Kwacha (ZMW).

As at the balance date the assets and liabilities of these subsidiaries are translated into Australian dollars at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

NOTE 2: REVENUE AND EXPENSES	Consolidated 12 months ended 31 December 2014 $	Consolidated 14 months ended 31 December 2013 $
(a) Revenue from continuing operations		
Other revenue		
Sundry income	-	10,000
	-	10,000
(b) Expenses		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
Auditor's remuneration	23,620	33,327
Employee costs	34,859	752,209

NOTE 3: INCOME TAX		
(a) Income tax benefit		
The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax benefit in the financial statements as follows		
Accounting loss before tax from continuing operations	(451,448)	(1,384,169)
Tax expense/(benefit) calculated at 30%	(135,434)	(415,251)
Non-deductible expenses		
Unused tax losses and tax offset not recognized as deferred tax assets	63,868	174,589
Deferred tax assets and tax liabilities not recognized in relation to foreign expenses	71,566	240,662
Income tax expense/(benefit) reported in the statement of comprehensive income	-	-
(b) Unrecognized deferred tax balances		
The following deferred tax assets have not been brought to account		
Deferred tax assets comprise:		
Accruals	-	3,000
Losses available for offset against future income – revenue	302,308	540,273
Net unrecognized deferred tax assets	302,308	543,273

	Consolidated	
	12 months ended 31 December 2014	14 months ended 31 December 2013
NOTE 4: LOSS PER SHARE	**$**	**$**
Total basic loss per share (cents)	(0.6)	(2.1)
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Net loss for the period	(1,941,429)	(5,257,709)
The weighted average number of ordinary shares	302,724,489	246,430,210

The diluted loss per share is not reflected as the result is anti-dilutive.

NOTE 5: SEGMENT INFORMATION

For management purposes, the Board of Directors of the Company has been defined as the Chief Operating Decision Maker. Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

During the prior year and up until June 2014 the group operated predominantly in one business segment that consisted of mineral exploration in Zambia. Since June 2014 the group has had no operations, only administration in Australia.

NOTE 6: TRADE AND OTHER RECEIVABLES	31 December 2014 **$**	31 December 2013 **$**
GST/VAT receivable	3,447	22,602
R&D incentive receivable	153,868	-
Other receivables	-	62,635
Prepayments	9,904	2,423
	167,219	87,660
NOTE 7: PLANT AND EQUIPMENT		
Opening balance	119,202	143,433
Additions	-	16,911
Disposals	(111,672)	-
Depreciation charge	(2,172)	(41,142)
Loss on disposal	(5,358)	-
Closing net book value	-	119,202
Cost or fair value	-	251,013
Accumulated depreciation	-	(131,811)
Net carrying amount	**-**	119,202

	Consolidated	
	31 December 2014	31 December 2013
NOTE 8: MINING PROPERTIES	**$**	**$**
Opening balance	250,000	1,163,209
Mining property disposal	(250,000)	-
Impairment of mining properties	-	(913,209)
Closing balance	-	250,000

NOTE 9: TRADE AND OTHER PAYABLES

Trade payables	5,678	169,092
Other accruals	60,998	353,155
Provisions	-	28,079
	66,676	550,326

Trade payables are non-interest bearing and are normally paid on 30 day terms.

NOTE 10: NON-CURRENT PROVISIONS

Payroll termination costs (Zambian workforce)	-	117,892

NOTE 11: ISSUED CAPITAL

(a) Ordinary shares

Ordinary shares on issue:		
326,702,571 (2013: 268,702,571)	3,211,065	27,588,627
Ordinary shares to be issued:		
12,500,000 (2013: 10,000,000)	189,426	448,000
	3,400,491	28,036,627

Holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

(b) Re-categorization of equity

Luiri Gold Limited is a Bermuda Registered company and its shares have a par value of US$0.01. In prior years, any amount paid for shares in excess of the par value was accounted for as issued capital. In the current year, any amount paid for shares in excess of the par value is accounted for in the share premium reserve, any discount to par value is accounted for in the capital reserve. Share issue costs are offset against the share premium reserve or capital reserve as appropriate. The Company became a Bermudan company in September 2012, the excess of issued capital over par value at that date is accounted for in the capital reserve. Par value is recorded in A$ at the exchange rate on the date of issue of the shares.

The balance of issued capital as at 31 December 2013 was $27,588,627. Of this $25,000,602 has been re-categorized to reserves to conform with the current year treatment.

NOTE 11: ISSUED CAPITAL (CONTINUED)

(c) Movements in ordinary shares issued

Date		Shares issued #	Issue Price ¢	Par Value ¢	Share premium/ capital reserve $	Issued capital $
01/11/12	Opening balance					25,653,478
08/02/13	Placement	29,366,666				881,000
19/03/13	Placement	29,237,333				877,120
19/06/13	Placement	12,666,667				380,000
	Share issue costs					(202,971)
31/12/13	**Balance**	268,702,571				27,588,627
Re-categorization to reserves (Note 11(b))						
	Share premium reserve					(1,235,086)
	Capital reserve					(23,765,516)
04/04/14	Placement	28,000,000	0.50	1.08	(163,660)	303,660
23/07/14	Contracted share issue	10,000,000	4.48	1.06	341,540	106,460
23/07/14	In-lieu directors fees	20,000,000	0.50	1.06	(112,920)	212,920
31/12/14	**Balance**	326,702,571				3,211,065

(d) Movements in ordinary shares to be issued

Ordinary shares to be issued are accounted for at par value plus/minus the share premium/discount which reflected in the share premium/capital reserve (refer (b) above). A$ par value is calculated using the exchange rate at balance date.

Date		Shares to be issued #	Issue Price ¢	Par Value ¢	Share premium/ capital reserve $	Shares to be issued $
31/10/12	Balance [1]	10,000,000				448,000
31/12/13	**Balance**	10,000,000				448,000
23/07/14	Shares issued	(10,000,000)				(448,000)
24/12/14	Shares to be issued [2]	15,450,000	0.20	1.23	(158,526)	189,426
31/12/14	**Balance**	15,450,000				189,426

1. Shares to be issued as part of the Group's commitments to local communities in Zambia.
2. 12,500,000 shares to be issued to repay shareholder loan, subject to shareholder approval.
   2,950,000 shares to be issued to pay directors fees, subject to shareholder approval.

NOTE 11: ISSUED CAPITAL (CONTINUED)

(e) Share options

	Number of options	
	2014	**2013**
Unlisted options exercisable at $0.45 on or before 1 April 2015	100,000	100,000
Unlisted options exercisable at $0.60 on or before 1 April 2015	100,000	100,000
Unlisted options exercisable at $0.85 on or before 1 April 2015	100,000	100,000
Employee Options exercisable at $0.17 on or before 30 June 2015	8,800,000	8,800,000
Employee Options exercisable at $0.10 on or before 30 June 2015	12,000,000	12,000,000
Unlisted options exercisable at $0.08 on or before 30 June 2015	2,000,000	2,000,000
	23,100,000	23,100,000

NOTE 12: RESERVES

Balances of reserve accounts have been impacted by the re-categorization of issued capital (refer Note 11(b)) and other transfers between reserve accounts as detailed below.

	Consolidated	
	31 December 2014	**31 December 2013**
	$	**$**
Share-based payment reserve (a)	3,736,564	7,062,354
Share premium reserve (b)	1,576,626	-
Capital reserve (c)	26,764,259	-
Foreign currency translation reserve (d)	-	(1,665,057)
	32,077,449	5,397,297

(a) Share-based payment reserve

The share-based payment reserve records the value of equity benefits provided to employees, consultants and directors as part of their remuneration. The prior year balance included payments in shares that were not related to remuneration. These shares were issued prior to 2012 and should have been, and are now, accounted for in the capital reserve. The movements in the share-based payment reserve for the period are as follows:

		Share-based payment reserve
		$
01/11/12	Opening balance	6,540,770
	Share-based payment for the period	521,584
31/12/13	**Balance**	7,062,354
	Transfer to capital reserve	(3,433,849)
	Share-based payment for the period	108,059
31/12/14	**Balance**	3,736,564

NOTE 12: RESERVES (CONTINUED)

(b) Share premium reserve

The share premium reserve is used to record the excess of the market price paid over par value (US$0.01) for shares issued, net of share issue costs (refer Note 11(b)). Movements in the share premium reserve are as follows:

		Share premium reserve $
01/01/14	Opening balance	-
	Transfer from ordinary shares issued (Note 11(b))	1,235,086
23/07/14	10,000,000 shares issued above par	341,540
31/12/14	**Balance**	1,576,626

(c) Capital reserve

The capital reserve is used to record amounts which are equity but are not properly classified as issued capital or in other reserves, this includes amounts that were issued capital prior to the Company's continuance to Bermuda (refer Note 11(b)). The capital reserve is also used to record any discount to par value of shares issued. Movements in the capital reserve are as follows:

Date	Details	Capital reserve $
01/01/14	Opening balance	-
	Transfer from ordinary shares issued (Note 11(b))	23,765,516
	Transfer from share-based payment reserve	3,433,849
04/04/14	28,000,000 shares issued below par	(163,660)
23/07/14	20,000,000 shares issued below par	(112,920)
24/12/14	15,450,000 shares to be issued below par	(158,526)
31/12/14	**Balance**	26,764,259

(d) Foreign currency translation reserve

The foreign currency translation reserve records the exchange differences arising from the translation of financial statements of foreign controlled entities. The balance was transferred to accumulated losses on sale of the subsidiaries.

NOTE 13: SHARE-BASED PAYMENTS

Share based payments consists of unlisted options issued to Directors, employees and consultants. The expense is recognised in the Statement of Comprehensive Income and Statement of Financial Position over the vesting periods of the options. The following share-based payment arrangements were in place during the current and prior years:

Number	Grant date	Expiry Date	Exercise price $	Fair value at grant date $
100,000	01/04/2010	01/04/2015	0.45	18,267
100,000	01/04/2010	01/04/2015	0.65	17,192
100,000	01/04/2010	01/04/2015	0.85	16,118
8,000,000	17/06/2011	30/06/2015	0.17	1,072,988
800,000	31/08/2011	30/06/2015	0.17	84,221
12,000,000	17/04/2012	30/06/2015	0.10	960,000
2,000,000	19/06/2013	30/06/2015	0.08	2,654

Fair value of options granted

The fair value of the equity-settled share options granted under the Employee Share Option Plan is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted. The actual value of these options may be materially different to this accounting estimation.

NOTE 14: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	Consolidated 12 months ended 31 December 2014 $	Consolidated 14 months ended 31 December 2013 $
a) *Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities*		
Loss from ordinary activities after income tax	(1,941,429)	(5,257,709)
Add/(less) non-cash items:		
Depreciation	2,172	41,142
Share based payment expense	108,059	518,930
Re-classification of prior year foreign exchange	1,665,057	913,209
Profit on sale of discontinued operations	(145,653)	-
Net assets on sale of subsidiary	389,459	-
Loss/(profit) on sale of plant	5,358	(5,335)
Foreign exchange loss	1,117	8,680
Non-cash payment directors' fees	105,900	-
Changes in operating assets and liabilities		
(Increase) / decrease in receivables	(72,078)	150,138
(Increase) / decrease in prepayments	(7,481)	7,992
Increase / (decrease) in payables	(483,650)	(413,853)
Increase / (decrease) in provisions	-	(6,373)
Net cash outflow from operating activities	(373,169)	(4,043,179)

NOTE 15: FINANCIAL INSTRUMENTS

(a) Capital risk management

Prudent capital risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. The Board monitors its future capital requirements on a regular basis and will, when appropriate, consider the need for raising additional equity capital or to farm-out exploration projects as a means of preserving capital.

(b) Categories of financial instruments

The Group's principal financial instruments comprise of cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the year, the Group's policy that no trading in financial instruments shall be undertaken.

(c) Financial risk management objectives

The Group is exposed to market risk, credit risk and liquidity risk.

The main risks arising from the Group's financial instruments are interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

Interest rate risk management

All cash balances attract a floating rate of interest. Excess funds that are not required in the short term are placed on deposit for a period of no more than 3 months. The Group's exposure to interest rate risk and the effective interest rate by maturity periods is set out below. As the Group has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to foreign currency risk primarily related to its operations in Zambia where expenses were incurred in USD and Zambian Kawcha.

Credit risk management

Credit risk relates to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from any defaults.

Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. Cash deposits are only held with major financial institutions.

NOTE 15: FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarises the maturity profile of the Group's financial liabilities:

Financial liabilities	Weighted Average Interest Rate	Less than 1 month	1-3 months	3 months – 1 year	1-5 years
2014					
Trade and other payables	n/a	5,678	-	60,998	-
		5,678	-	60,998	-
2013					
Trade and other payables	n/a	372,247	-	150,000	-
Current provisions	n/a	-	-	28,079	-
Non-current provisions	n/a	-	-	-	117,892
		372,247	-	178,079	117,892

NOTE 16: COMMITMENTS AND CONTINGENCIES

The Company has given standard warranties in relation to the sale of its Mauritian and Zambian subsidiaries, and with regards to the Zambian tenements owned by those companies. These warranties expire in June 2016. The Company has given no warranty as to the continued good standing of the relevant Zambian tenements.

The Group has no other commitments or contingencies at balance date.

NOTE 17: RELATED PARTY DISCLOSURE

The ultimate parent entity in the wholly-owned group and the ultimate Bermudian parent entity is Luiri Gold Limited. There were no transactions between Luiri Gold Limited and its controlled entities during the financial year (2013: nil). The consolidated financial statements include the financial statements of Luiri Gold Limited and the controlled entities listed in the following table:

Name of entity	Country of incorporation	Class of shares	Equity holding 2014 %	Equity holding 2013 %
Luiri Gold Pty Ltd	Australia	Ordinary	100	100
LG Holdings Ltd	Mauritius	Ordinary	-	100
ZIO Holdings Ltd	Mauritius	Ordinary	-	100
Luiri Gold Mines Ltd	Zambia	Ordinary	-	100

NOTE 18: KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	12 months ended 31 December 2014 $	14 months ended 31 December 2013 $
Short-Term	186,242	799,881
Post-employment	-	5,400
Share-based payments	108,059	518,930
	294,301	1,324,211

NOTE 19: EVENTS AFTER THE BALANCE DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods except for:

In March 2015 the Company received $50,000 pursuant to convertible loan agreements signed with 3 shareholders. The loans are repayable in shares at $0.002/share, subject to shareholders approving a reduction in the par value of the Company's shares and approving the issue of the shares if required, at the Company's AGM.

NOTE 20: DISCONTINUED OPERATIONS

On 30 June 2014 the Company completed the sale of various subsidiaries that owned all the Group's Zambian located assets. These subsidiaries are reported in these financial statements as a discontinued operation.

The Company received no sales consideration other than it was relieved of existing liabilities and contingent liabilities of approximately US$520,000 as all existing liabilities and contingent liabilities owed by the discontinued operations were absorbed by the purchaser (subject to standard business sale warranties).

The carrying amount of assets and liabilities of the discontinued operations at the date of sale were:

	Consolidated	
	30 June 2014 $	31 December 2013 $
Property, plant and equipment	72,242	104,724
Deferred exploration and evaluation	-	250,000
Other receivables	5,814	8,057
Cash	26	54,269
Total assets	78,082	417,050
Creditors	(467,541)	(407,461)
Net (liabilities)/assets	(389,459)	9,589

NOTE 20: DISCONTINUED OPERATIONS (CONTINUED)

Financial performance and cashflow information
The financial performance and cashflow information for the discontinued operations are presented for the 12 months ended 31 December 2014 with the comparative figures being the 14 months ended 31 December 2013.

Financial performance from discontinued operations

	Consolidated	
	12 months ended 31 December 2014 $	**14 months ended 31 December 2013 $**
Revenue	-	7,505
Expenses	(489,677)	(3,881,046)
Profit/(loss) before tax from discontinued operations	(489,677)	(3,873,540)
R&D tax incentive	519,100	-
Profit/(loss) after tax from discontinued operations	29,423	(3,873,540)
Profit on sale of discontinued operations	145,653	-
Reclassification of exchange differences recognised in prior years	(1,665,057)	-
Loss for the period from discontinued operations	(1,489,981)	(3,873,540)

Cash flows from discontinued operations

Net cash (inflows)/outflows from operating activities	(199,267)	2,927,038
Net cash outflows/(inflows) from investing activities	26	(2,170)
Net cash outflows from financing activities	-	-
Net cash (inflows)/outflows	(199,241)	2,925,038

LUIRI GOLD LIMITED
DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 4 to 26:

  (i) are in accordance with International Accounting Standards; and

  (ii) give a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the year then ended; and

(b) there are reasonable grounds to believe that Luiri Gold Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Angela Pankhurst
Director/Company Secretary

Perth, Western Australia
31 March 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Luiri Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Luiri Gold Limited ("the company"), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and the Bermudian Companies Act 1981 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(d), the directors state that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion the financial report of Luiri Gold Limited:

(i) gives a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

(ii) complies with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the ability of the Group to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the Group being successful in completing a capital raising during the next twelve months. As a result of this matter, there exists a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

HLB Mann Judd
Chartered Accountants

W M Clark
Partner

Perth, Western Australia
31 March 2015

LUIRI GOLD LIMITED
ADDITIONAL ASX INFORMATION

The shareholder information set out below was applicable as at 25 March 2015.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Class of equity security
			Ordinary shares
1	–	1,000	10
1,001	–	5,000	26
5,001	–	10,000	33
10,001	–	100,000	117
100,001		and over	177
			363

There were 226 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders – ordinary shares

Name	Ordinary shares held	% of issued shares
Jutland Nominees Pty Ltd <Robert Brown Family A/C>	23,398,115	7.16
Laguna Bay Capital Pty Ltd	20,826,667	6.37
Palace Trading Investments Ltd	14,641,667	4.48
Zero Nominees Pty Ltd	13,522,507	4.14
Portico Investments Ltd	13,250,000	4.06
Shukran GMBH	13,250,000	4.06
N & J Mitchell Holdings Pty Ltd <Steinpreis Super Fund A/C>	11,320,315	3.47
HSBC Custody Nominees (Australia) Ltd	11,171,066	3.42
Mr Jay Evan Dale Hughes <Inkese Family A/C>	10,000,000	3.06
Zambian Iron Ore Limited	10,000,000	3.06
Citicorp Nominees Pty Limited	8,486,962	2.60
Mr Peter Cahal Tanham	8,000,000	2.45
N & J Mitchell Holdings Pty Ltd <Ord St Properties A/C>	6,000,000	1.84
Ascent Capital Holdings Pty Ltd	5,697,144	1.74
Lanza Holdings	5,610,000	1.72
Kirby Gold Pty Ltd <E & A Kirby S/F A/C>	5,500,000	1.68
Nyota Minerals Limited	5,312,362	1.63
JP Morgan Nominees Australia Limited	5,100,305	1.56
Inkese Pty Ltd	4,000,000	1.22
Westrade Resources Pty Ltd <Sheppard Super Fund A/C>	4,000,000	1.22
	199,087,110	60.94

LUIRI GOLD LIMITED
ADDITIONAL ASX INFORMATION

C. Substantial shareholders

Substantial shareholders in the Company are:

Name	Ordinary shares held	% of issued shares
NJ Mitchell Holdings Pty Ltd & associated holders	32,338,410	9.90
Jutland Nominees Pty Ltd <Robert Brown Family A/C>	23,398,115	7.16
Laguna Bay Capital Pty Ltd	20,826,667	6.37

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.