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31 October 2012

## SEPTEMBER 2012 QUARTERLY ACTIVITY REPORT

Burey Gold Limited (ASX: BYR) reports its activities for the September 2012 Quarter on its gold and multi-element projects in Guinea, West Africa.

### Exploration Highlights

#### Kossanke / Celein Gold Project

- A first pass drilling program for 16 reverse circulation (RC) and two diamond drill (DD) holes was completed across the southernmost sector of a 25km long gold in soil anomaly.
- 14 RC holes intersected mineralization with better results being:
  - 2m @ 4.59g/t Au from 41m in KDRC001;
  - 3m @ 2.60g/t Au from 76m in KDRC007;
  - 11m @ 1.10g/t Au from 10m in KDRC010;
  - 16m @ 1.56g/t Au from 62m (including 4m @ 5.59g/t Au) in KDRC012; and
  - 2m @ 14.20g/t Au from 75m in KDRC015.
- Infill soil programs completed and samples delivered for assay, results expected November 2012.
- An extensive RC drilling program for the northern areas will commence once all interpretations of the infill soil program are complete.

#### Balatindi

- Diamond drill twinning of two holes of a previous explorer's (Mining Italiana) program was completed; samples are being comparatively tested using fire assay and BLEG analysis, results expected November.

- Diamond drilling in progress with 13 holes completed at the end of the quarter for 2,212metres of a 16 hole programme at Anomaly E located/ immediately to the south of main central polymetallic prospect (CPP)

### **Mansounia**

- Independent heap leach amenability testwork conducted over an extensive period showed excellent results and further follow up tests have been initiated.

### Corporate

- As at September 30, Burey Gold had \$6.3M cash on hand

### **KOSSANKE PROJECT - KOSSANKE AND CELEIN LICENCES (Burey earning 68%, Government 15%, Vendor 17%)**

#### ***Kossanke***

The Kossanke property is located in the northern sector of Guinea's Mandiana District, a richly gold endowed portion of the Lower Proterozoic (Birimian) Siguri Basin. The Mandiana district has undergone wide spread artisanal mining activity since ancient times.

Burey's first-pass soil sampling results at Kossanke, announced in July 2012, confirmed the presence of elevated gold tenor across a multiple of relatively narrow northeast trending belts, ranging from <100-300m across, but for part appear to be of the order of a kilometre across. The results suggest the strike of such belts may extend for some tens of kilometres.

Infill soil sampling, to a line spacing of 330m, was completed in July, 2012. The return of assay results for these ~4,000 infill samples is expected to commence in late November 2012.

A first pass **orientation** RC drill program of 16 holes for 1,777m was also completed during the September Quarter along two proximal fences in the southern part of the Kossanke permit (refer **Figure 1**). This work was augmented by two DD holes totalling 184m. These drill fences tested part of an anomaly which is up to 6km in length and was, in part, previously tested by trenches and wide spaced fences of RC holes drilled by former explorer Wells Gold in the mid-1990s.

Assay results from the RC drill program are contained in **Table 1**.

#### ***Celein***

A property possessing similarly favourable attributes to Kossanke is the nearby 230km<sup>2</sup> Celein licence. Celein is being worked in conjunction with Kossanke, sharing logistics, support infrastructure, work programs and scheduling.

An infill soil sampling program was completed at Celein in August 2012, which closed up the soil sample line-spacing to 330m. Assay results for these infill samples are expected in November 2012.

An RC drilling program will also be initiated once assay results of the infill soil sample program are interpreted by the end of 2012.

## **BALATINDI PROJECT (Burey 75%, Government 15%, Vendor 10%)**

The Balatindi Project (sited across the Kerouane-Kankan administrative boundary in the central east of Guinea), is considered to be highly-prospective for poly-metallic mineralisation with IOCGU (iron oxide, copper, gold, uranium) paragenetic affinity. The regional setting, geology, structure and chemical signature of the CPP shares much similarity with the poly-metallic mineralisation occurring at Boddington, Western Australia.

As a follow up to the 2011 drill program, Burey has progressed with DD through the 2012 wet season to:

1. Twin two holes of a previous explorer (Mining Italiana) completed on the CPP to assess their measure of gold tenor using both fire assay and BLEG analyses
2. Test the persistence and tenor of copper and uranium mineralisation at Anomaly E. Logging the new core suggests an overlap with mineralisation of the CPP type (sulphidic diorite)

The current program suggests Anomaly E is a more peripheral portion to the Balatindi CPP. Both barium rich, Anomaly E is more elevated in uranium and silver, compared to the central zone (CPP) which may be considered to be the root - being deeper and closer to source, the less oxidised portion of the same mineralised system, relatively uranium depleted, but elevated in gold. Balatindi carries the potential for the credit of additional metals as it is variously anomalous in silver, barium, bismuth, copper, molybdenum and antimony, thorium, uranium, tungsten and rare earth elements.

Burey's current interpretation suggests Anomaly E may be sourced from leakage off or from the CPP which implies there is added potential for exploration success.

The dimensions (sum for both in part >1.6km SW-NE) and tenor expressed by Anomaly E at depth and the physical relationship of these two mineralised centres (Anomaly E and CPP) will determine the economic potential of the Balatindi polymetallic setting.

Geological potential remains to locate "blind" gold mineralisation proximally to CPP.

Mineralisation at Balatindi remains open at depth and in all directions. Burey believes that considerable detailed study remains to be undertaken before the full potential of Balatindi's polymetallic mineralisation can be determined. Balatindi has demonstrated a generally low but persistent gold tenor. At this stage the shape and the axis of mineralisation has not been determined, but detailed assessment of drill log data may provide a better understanding.

## **MANSOUNIA PROJECT (Burey earning 70%; Government 15%; Vendors 15%)**

Following the resource upgrade in the second quarter of calendar year 2012, a review of the preliminary (2009) optimisation scoping study of the Mansounia gold deposit (MGD) is progressing to assess development options.

As part of this process, detailed heap leach amenability testwork was independently carried out on composites from the MGD.

### ***Testwork Objectives***

The aim of the testwork program was to generate data for use in the development of process design criteria for a potential scoping study, looking at the option of heap leaching for the MGD. To do this, four representative composites were produced for physical and chemical characterisation.

The following test work was undertaken for each of the testwork composites:

- Sample preparation to a composition agreed with the independent expert;
- Head assay analysis of the subsequent composite for gold;
- Bottle roll cyanide leach testing over a period of four days, at 100% passing 6.30mm;
- Agglomeration and percolation testing, at 100% passing 6.30mm, at varying cement dosages; and
- Column leaching over a period of 60 days.

### ***Summary of Testwork Results***

The testwork program results indicate the following:

- Bottle roll cyanide leach testing of the four heap leach composites, at 100% passing 6.30mm, over four days produced gold recoveries of greater than 85%. Recoveries declined by approximately 10% as depth increased from the top composite (0-10m) to the lowest composite (32-40m).
- Agglomeration and percolation testing showed that the cement addition required to produce adequate percolation rates (>10000 l/m<sup>2</sup>/hr) and decent agglomerate strength (slump rate <10%) increased significantly with depth. For composite 1 adequate percolation rates and agglomerate strengths could be achieved at approximately 10kg/t cement, while for composites 2, 3 and 4 at least 30kg/t of cement was required. The results were in line with expectations as clay levels increased and laterite levels decreased with depth.
- Column leach tests for the four composites over 60 days produced recoveries of greater than 95% for composite 1 and greater than 80% for composites 3 and 4. Composite 2 produced recoveries of approximately 48%. Leach kinetics for composites 1, 3 & 4 were fast with approximately 85% of leaching completed within the first 14 days.

These results provide significant encouragement for the viability of a heap leach process at the MGD and follow up tests have now been initiated.

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MGD - Gold Recovery vs. Leach Time for Column Leach Tests

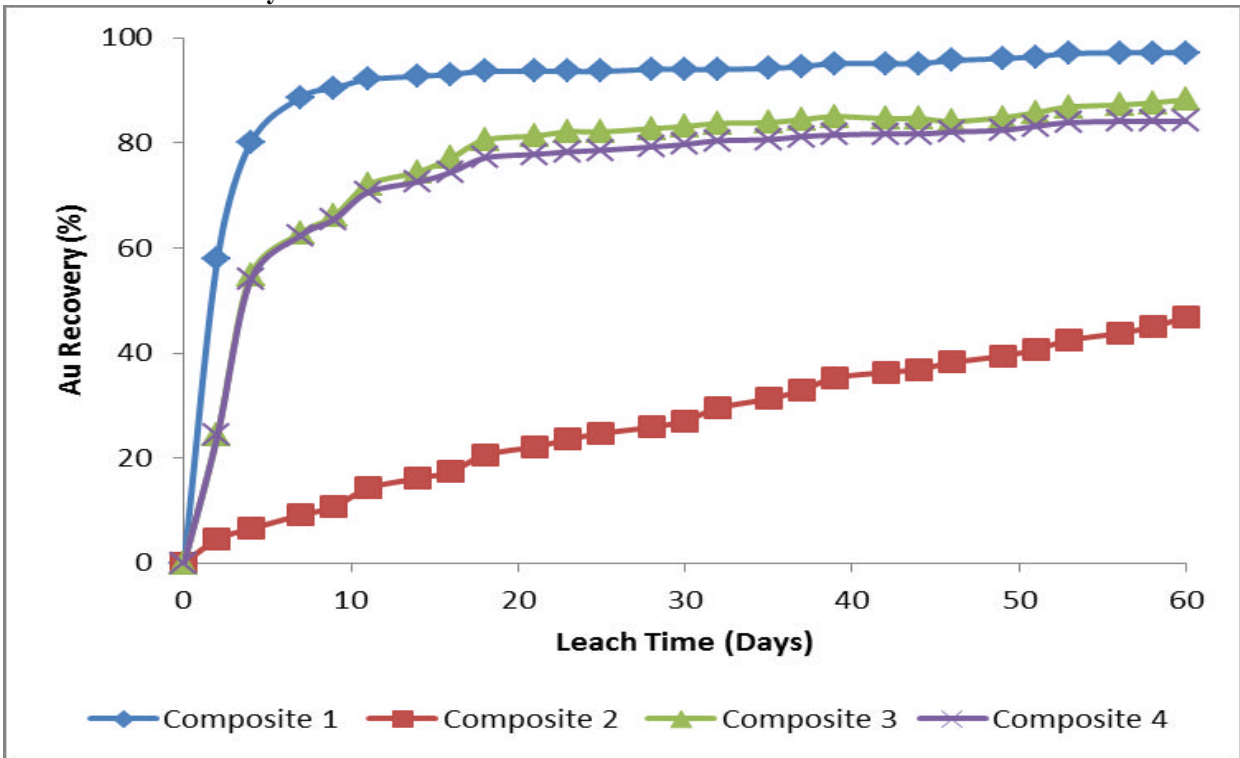


Figure 2: MGD location showing other projects and deposits in the region

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*The information in this report that relates to Exploration Results is based on information compiled by Mr Klaus Eckhof who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Eckhof, a Director and fulltime employee of the Company, has sufficient relevant experience in respect of the style of mineralization, the type of deposit under consideration and the activity being undertaken to qualify as a Competent Person within the definition of the 2004 Edition of the AusIMM's "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Eckhof consents to the inclusion in this report of the matters that are based on his information in the form and context in which it appears.*

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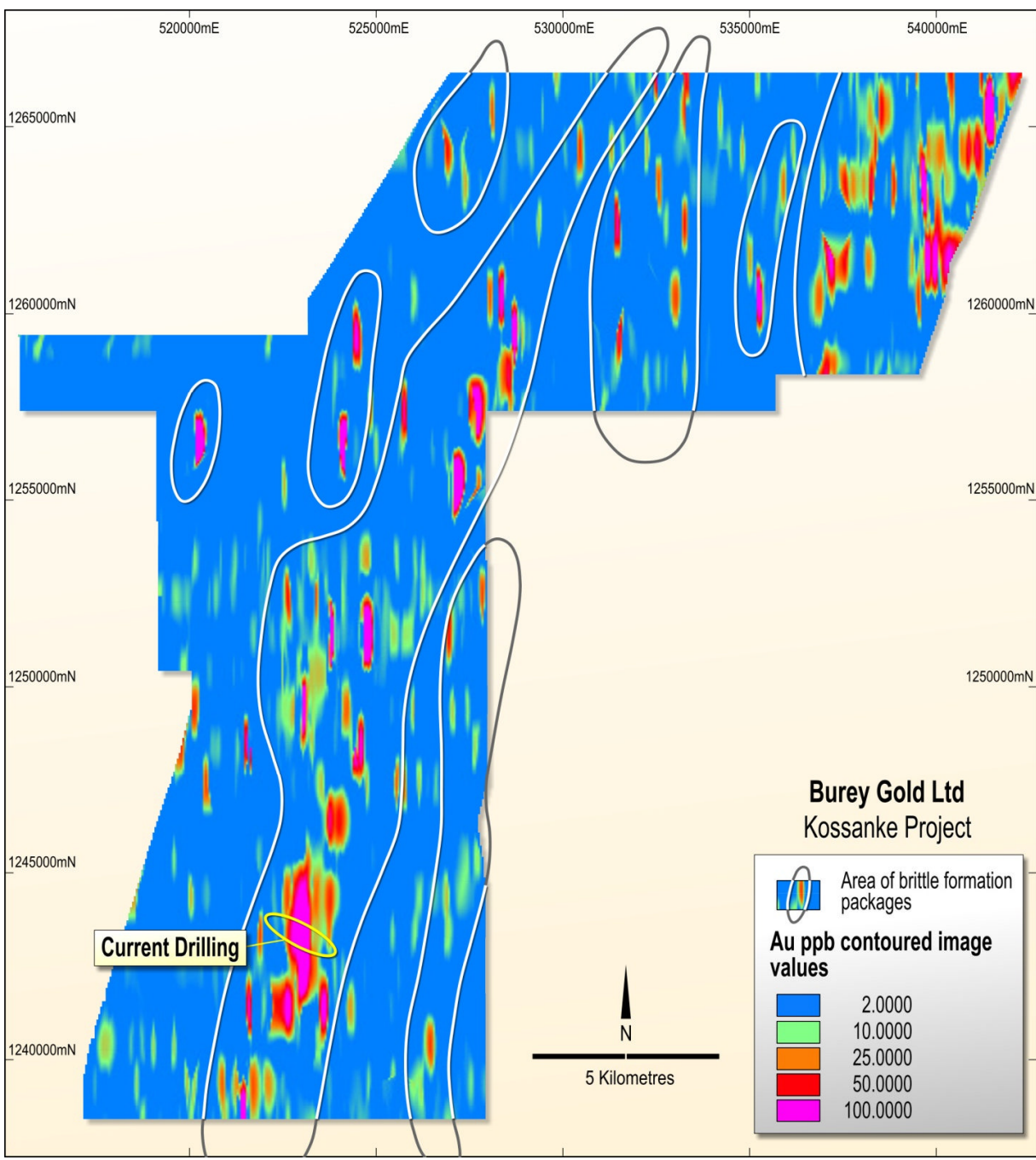


Figure 1 – Recent Programme: The strong gold in soil anomaly in the south-west of the permit area, subject of recent limited *orientation* drill testing.



**Table 1 – Kossanke RC Drill Program results**

Hole	East (m)	North (m)	Azm. (°)	Incl. (°)	Depth (m)	From (m)	To (m)	Width (m)	Au g/t
KDRC001	522973	1243635	305	-60	108	41	43	2	4.59
KDRC002	523007	1243615	305	-60	110	64	67	3	0.95
KDRC003	523039	1243583	305	-60	105	11	20	9	0.48
					Incl.	64	67	3	0.86
KDRC004	523065	1243559	305	-60	110	2	4	2	0.69
					Incl.	6	8	2	0.37
					Incl.	10	14	4	0.60
					Incl.	16	18	2	0.41
					Incl.	31	38	7	0.31
					Incl.	82	84	2	0.40
KDRC005	523109	1243543	305	-60	110	6	11	5	0.31
					Incl.	61	69	8	0.37
					Incl.	96	98	2	0.36
KDRC006	523139	1243520	305	-60	110	46	49	3	0.29
KDRC007	523173	1243499	305	-60	110	68	72	4	0.73
					Incl.	76	79	3	2.60
KDRC008	522903	1243508	305	-60	110	NSR			
KDRC009	522933	1243483	305	-60	108	5	16	11	0.52
KDRC010	522960	1243462	305	-60	110	6	8	2	1.18
					Incl.	10	21	11	1.10
					Incl.	55	59	4	1.07
KDRC011	522995	1243436	305	-60	110	7	13	6	0.55
					Incl.	17	39	22	0.90
					Incl.	76	80	4	0.45
KDRC012	523026	1243410	305	-60	114	39	45	6	0.79
					Incl.	47	53	6	0.89
					Incl.	62	78	16	1.56
					- Incl.	66	70	4	5.57
					Incl.	81	92	11	0.53
					- Incl.	81	84	3	1.00
KDRC013	523056	1243393	305	-60	110	61	63	2	0.98
					Incl.	108	110	2	0.69
KDRC014	523093	1243365	305	-60	110	23	27	4	1.54
KDRC015	523395	1243504	225	-50	120	75	77	2	14.20
KDRC016	523416	1243512	270	-50	120	NSR			

NSR – no significant results

Burey's samples were collected and assayed over 1m down-hole intervals. Primary assay method used by Burey is based on a nominal 5kg drill submission sample split, total submission sample being dried, crushed and pulped, coned and quartered for a 2kgm, 24hr saturated cyanide bottle roll Bleg at the Intertek, Ghana Laboratory in Tarkwa. Follow-up assaying was carried out for Burey using FA (50gm) on all Bleg residues for all samples reporting primary assays of 0.5 g/t Au or above. The return of Burey's FA sample assays is yet to be completed.