



**BUREY GOLD**

**BUREY GOLD LTD**

Level 1, Suite 5  
The Business Centre  
55 Salvado Road  
Subiaco WA 6008

P. +61 8 9381 2299  
F. +61 8 9380 6761

A.B.N. 14 113 517 203

**BUREY GOLD  
GUINEE SARL**

Sud 2eme Droit  
Immeuble Ali Youssef  
Kochour  
Quartier Boulbinet  
[entre 5eme Av. et 5eme  
Boul.]  
Conakry  
Républic de Guinée

B.P. 3938. Conakry  
Républic de Guinée

P. +224 64 35 48 02  
P. +224 68 02 19 68

**BUREY GOLD  
GHANA LTD**

No.2 Chancery Court  
147A Giffard Road  
East Cantonments,  
Accra Ghana

P. +233 244 317 632

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

31 July 2014

## **JUNE 2014 QUARTERLY ACTIVITY REPORT**

### **HIGHLIGHTS**

- **Burey to acquire 55% interest in Giro Gold Project in Moto Gold Belt, Democratic Republic of Congo (DRC) from private DRC registered company Amani Consulting SPRL and Nevada-based exploration company Panex Resources Inc**
- **The Giro Project is located 30km from Randgold / AngloGold Ashanti's 17Moz Kibali project in north-east DRC which produced 112,549oz gold during March 2014 quarter**
- **The Giro Project area comprises two exploitation permits covering a total area of 610km<sup>2</sup> which has been the subject of historical gold mining**
- **First pass RC drilling completed recently identified gold mineralisation in two separate structures with significant results comprising 18m @ 7.8g/t Au, 23m @ 2.65g/t Au and 20m @ 4.15g/t Au. Excellent potential for gold discovery at open pittable depths**
- **Capital raising of \$690,000 completed during the Quarter**

### **Corporate**

- **\$1.9M cash position as at 30 June 2014**

Burey Gold Limited (ASX: BYR) reports its activities for the June 2014 quarter on the Company's gold and multi-element projects in Africa.



*Figure 1: Burey Properties in Africa*

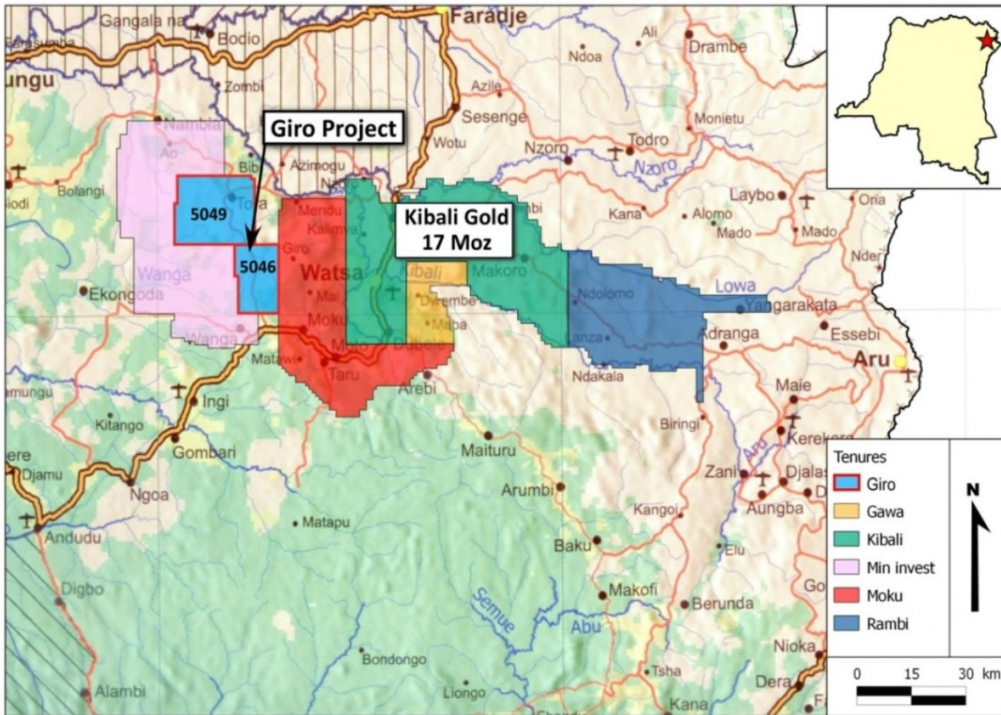
## **GIRO GOLD PROJECT, DEMOCRATIC REPUBLIC OF CONGO**

During the quarter, Burey entered into an agreement with the founders of private registered company Amani Consulting SPRL and Nevada-based Panex Resources Incorporated (listed on the US Over the Counter securities market) to acquire a 55% interest in two exploitation permits (“Giro Project”) which cover 610km<sup>2</sup> of prospective ground in the Oriental Province, northeast Democratic Republic of Congo.

The tenements are located less than 30km west of Randgold Resources / AngloGold Ashanti’s multimillion ounce Kibali Gold deposits as shown in Figure 2. Kibali has 12Moz gold at 4g/t in proven and probable ore reserves and 17Moz in Measured and Indicated mineral resources. It produced more than 110,000oz of gold in the March 2014 quarter, and the mine is continuing to be developed.

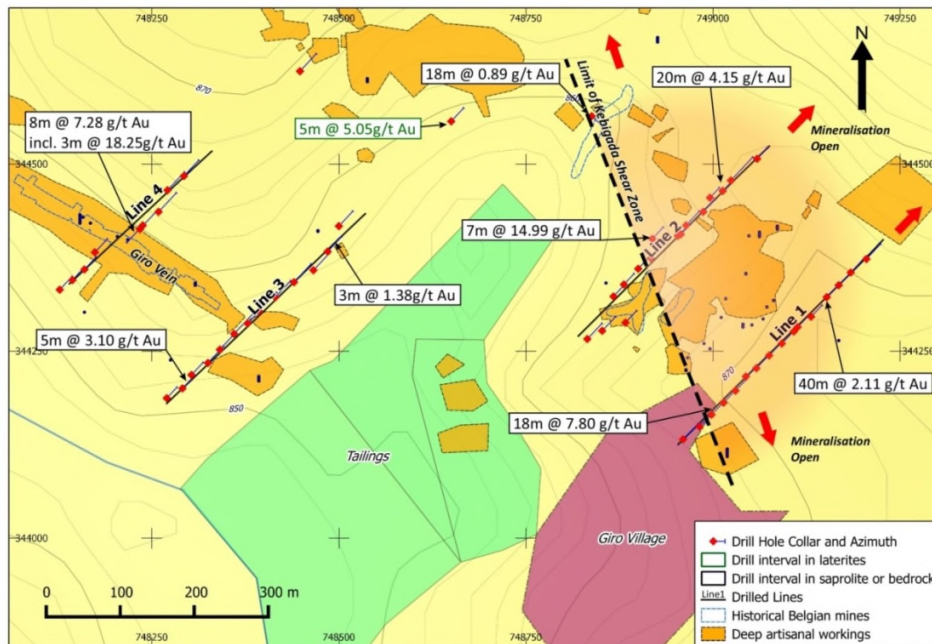
Both the Kibali and Giro projects occur within the Kilo-Moto Belt, one of the world’s principal greenstone belts which also host AngloGold Ashanti’s deposits to the east and Loncore and Kilogold deposits to the south. Approximately 50Moz of gold has been discovered in the Tanzanian portion of the belt since 1994.

The Giro Project area is underlain by highly prospective volcano-sedimentary lithologies in a similar structural and lithological setting as the Kibali gold deposits. Both primary and alluvial gold was mined from two main areas, the Giro and Tora areas, during Belgian rule and today these areas are mined extensively by artisanal miners.



**Figure 2: Giro project location in north-east Democratic Republic of Congo.**

At Giro (Figure 3), the Belgians mined two quartz veins with a combined strike length of 500m and alluvial gravels over an area of 700m x 400m where reported mined grades were 0.25 – 2g/t Au. Deep artisanal workings were mapped and sampled over a distance of more than 2km across the target area and reported results up to 3.5m @ 36.6g/t Au and 8m @ 3.6g/t Au from saprolite.



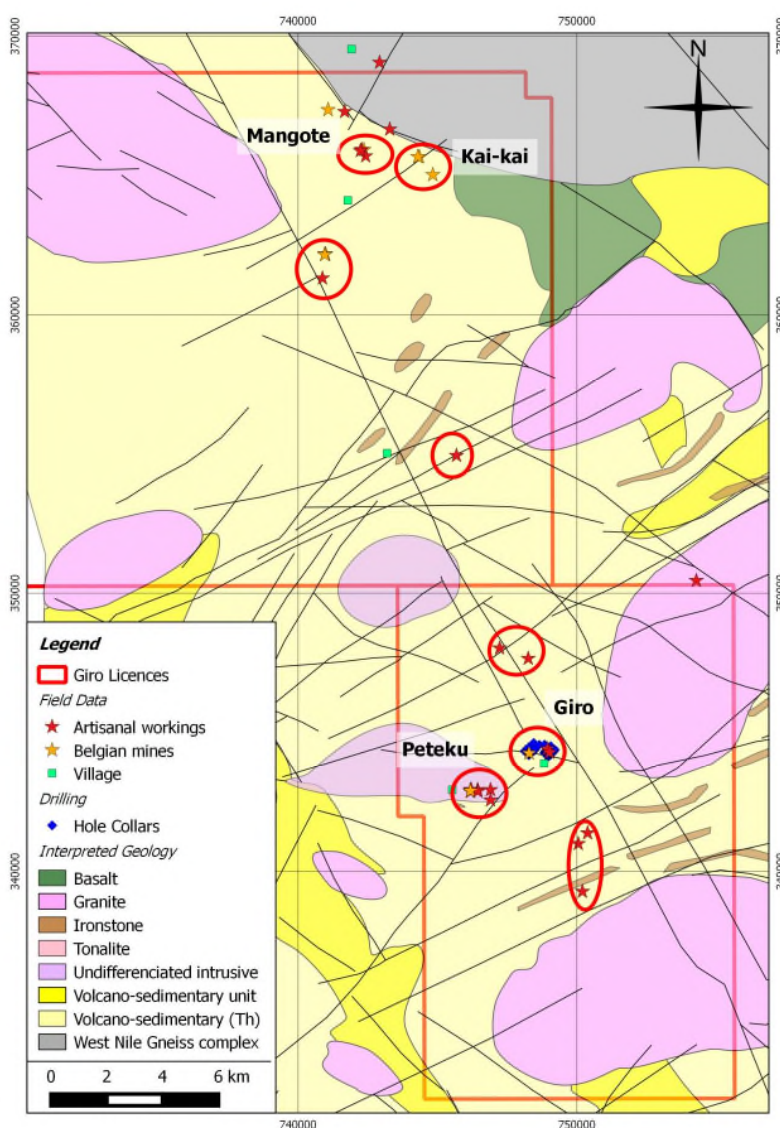
**Figure 3: Locality map showing RC drill fences at Giro and the extent of artisanal workings.**

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The Mangote and Kai-Kai Belgian workings at Tora (Figure 4) lie on an interpreted west-east structure, which runs sub-parallel to the younger gneissic contact to the north. A number of Belgian drill sections across the mined areas recorded grades of **0.8m @ 21.6g/t Au**, **0.6m @ 37g/t Au**, **0.35m @ 485g/t Au** and **0.2m @ 85.2g/t Au**. There is no record of methods used to analyse samples and it should be noted that only quartz veins were sampled historically with no available information on wallrock potential.

At least three additional extensive alluvial workings occur within the project area, confirming the potential for new discovery of primary mineralised targets.

The Giro Project area had not been explored for over 50 years (since the Belgian colonial era) with no modern exploration up to December 2013 when Panex conducted a 57-hole 2,888m Reverse Circulation (RC) drilling programme at the Giro Prospect. Drilling confirmed mineralisation occurs within two separate structures, the Kebigada Shear Zone and the Giro Vein as shown in Figure 3.



**Figure 4: Location of main exploration targets at Giro, with interpreted regional geology and main artisanal workings.**

## *Acquisition Terms*

Giro Goldfields Exploration sprl (“Giro sprl”), a DRC registered company is the registered holder of the exploitation permits comprising the Giro Project. Its shareholders are Société Minière De Kilo Moto (“Sokimo”), a limited liability company wholly owned by the DRC Government with a 35% interest and Amani Consulting sprl (“Amani”) with a 65% interest. In 2013, Panex Resources Incorporated (“Panex”) entered into an agreement (“Panex Agreement”) with Amani’s shareholders to acquire a 85% interest in Amani. The Panex agreement has not settled and Panex has now assigned its rights under that agreement to Burey. Consequently, on conclusion of the transaction, Burey will hold a 85% interest in Amani giving it an effective interest in the Giro Project of 55.25%. The key commercial terms of the agreement between Burey, Amani shareholders and Panex as well as the ongoing arrangements with Giro sprl and Sokimo are as follows:

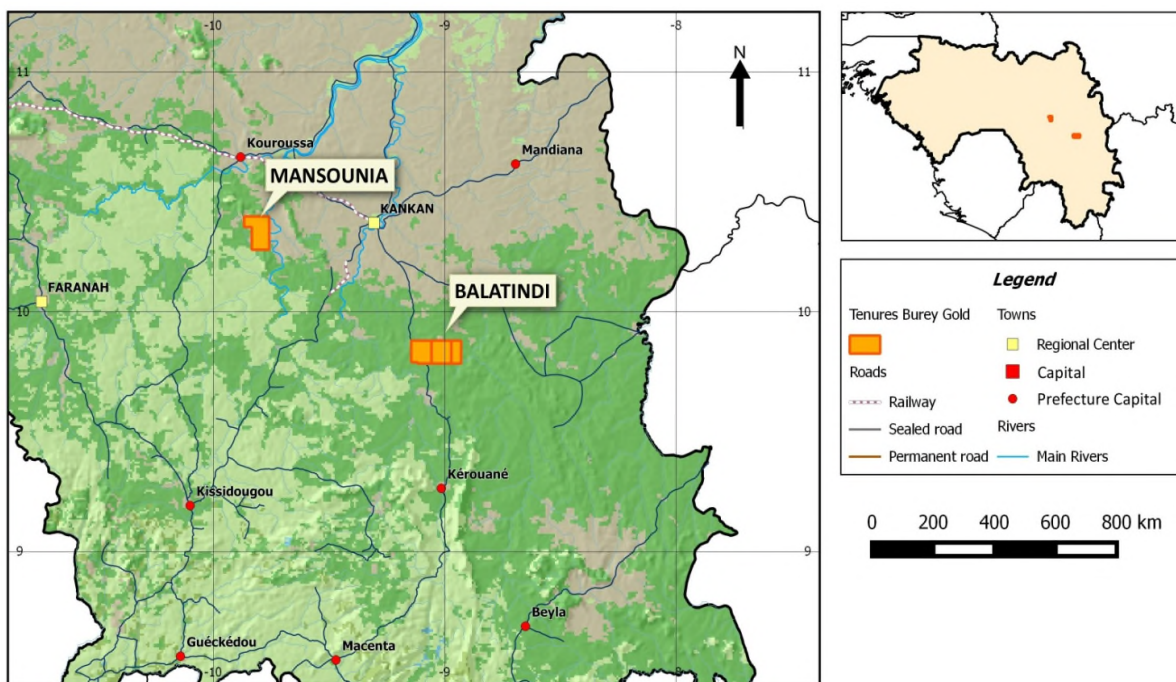
- On successful conclusion of due diligence and regulatory approvals, including Burey shareholder approvals (commencement date), Burey will issue 62,367,769 shares to the Amani shareholders and 55,705,232 shares to Panex. Burey will also issue 47.5M options to Amani shareholders, exercisable at \$0.05 each on or before 31 December 2016.
- An amount of US\$300,000 is payable to Amani shareholders under the Panex Agreement. At the commencement date, this amount may be settled in cash or Burey shares (at the election of Amani shareholders) at an issue price equivalent to any capital raising issue price following this agreement between Burey, Amani shareholders and Panex.
- Burey will assume Amani’s obligations to sole fund exploration expenditure at the Giro Project up to development stage by providing loan funds to Giro sprl, which loans shall be repaid from production proceeds in priority to shareholder returns.
- Should Burey identify 3moz (measured and indicated) gold resources at a cut-off grade of 2.5g/t, Burey will pay US\$5,350,000 to the Amani shareholders. At Burey’s election, 50% of this amount can be settled by an issue of Burey shares at the then market value of Burey shares. In any case the liability for this amount of US\$5.35M only falls due for payment upon drawdown of development funds.
- On conclusion of feasibility studies and a decision to mine at the Giro Project, payments of US\$2.5 million and US\$0.7 million will be required to be made to the DRC Government and Sokimo respectively.
- Burey will have the first right to acquire the remaining 15% interest in Amani.
- Loans provided by Panex to Amani over the last nine months under the Panex Agreement (including funding for the 3,000 metre drill program) will be assigned to Burey.

A meeting of Burey shareholders has been convened for 12 August 2014 to seek approval for the Giro transaction.

### **Planned work for September Quarter, 2014**

Drilling scheduled to commence during the third Quarter will focus on the Peteku, Mangote and Kai-Kai target areas mined historically and will also follow up on the recently defined gold mineralisation at Giro at depth and along strike. The Company will also conduct soil sampling

programmes to the north and south of the recently drilled area to determine potential strike extent of the mineralised shear.



**Figure 5: location of the Burey licences in Guinea**

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

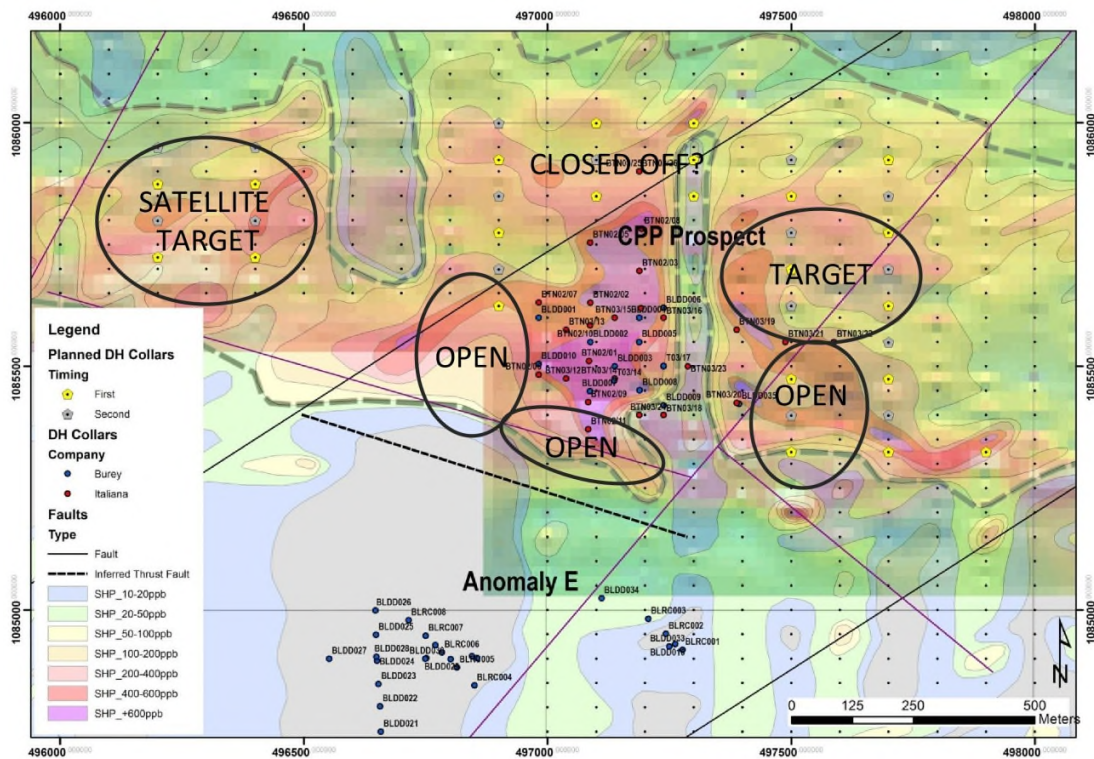
The Balatindi Project is located in east Guinea within a broad tectono-magmatic belt that lies immediately south of the Siguiiri basin which is highly prospective for gold. Two mineralised domains are observed at Balatindi: Gold/copper-dominated mineralisation within the Central Polymetallic Prospect (CPP) which lies immediately north of an interpreted east-west trending thrust fault, and uranium/copper-dominated mineralisation south of the thrust at Anomaly E.

The Company contracted MSA Group (Pty) Ltd of Johannesburg, South Africa, to conduct a site visit to confirm MSA’s interpreted geological model for Balatindi announced last year. This site visit was completed during the March quarter.

MSA concluded and recommended the following:

- The CPP Prospect is considered to have significant potential for delineating a large bulk tonnage low grade gold deposit. In addition, further exploration at Anomaly E has the potential to define a significant uranium deposit.
- Mineralisation at the CPP Prospect appears to plunge at approximately 45° to the south and is currently open to the south, west, east and down dip, where there is potential for sub-parallel mineralised zones at depth. Follow-up drilling is required to determine the extents of mineralisation through step-out drilling. Infill drilling is required to improve confidence in grade and geological continuity between the existing holes with a view to defining a potential open-pitpit Mineral Resource.

- Grade modelling confirmed that gold and copper mineralisation dips 40°-50° to the south. The Mining Italiana drilling further appears to have closed off mineralisation to the north.
- Prospective areas requiring follow-up drilling are shown in Figure 6.



**Figure 6: Location of prospective drilling targets**

The report will be used to optimise drill-hole positions for a planned 3,000m broad-spaced RC drilling programme. The programme will take approximately six weeks to complete.

**Planned work for September Quarter, 2014**

**During the June 2014 quarter, Burey exercised its right to formally acquire a 90% interest (pre-Government interest) in the Balatindi project** (having previously satisfied all conditions precedent to such an exercise). Legal documentation for the acquisition of a 90% interest in the share capital of the Guinea company (currently wholly owned by the local partner) that holds the Balatindi licence is now being completed.

Plans for commencement of the 3,000m drilling programme are pending subject to completion of all legal documentation referred to above.

**MANSOUNIA PROJECT**

During the quarter, Burey announced it had disposed of its interest in the Mansounia Project in Guinea. Burey had the sole right to explore the property and earn a 70% interest in it from licence holder, Equus Mining Limited (ASX: EQE). Burey disposed its sole exploration rights and its extensive exploration database in relation to the property to a private company registered in Ghana.

Sale consideration comprises a cash amount of US\$107,000; and issue of shares in a US over-the-counter traded company, Blox Inc. The number of Blox Inc. shares that Burey receives will be calculated by dividing the consideration amount of US\$821,445 by the lower of \$0.20 or the volume weighted average share price of Blox Inc. shares traded on a securities exchange platform over a 20-day period preceding the issue date. Sale settlement is imminent at the time of issue of this Activity Report.

Additionally, Burey will receive further shares in Blox Inc. subject to commencement of gold production from Mansounia.

Sale of the Mansounia interest allows Burey to prioritise its exploration efforts on Balatindi and the Giro Gold Project.

## **CORPORATE**

### *Capital Raising*

During the Quarter, Burey raised \$690,000 by the issue of 53M shares (under the Company's 15% capacity for the issue of new securities) at an issue price of \$0.013 per share. Of this amount, \$500,000 was subscribed for by Amani's major shareholder. The funds from the capital raising will augment the Company's working capital for use on exploration activities including the Giro Project.

As at 30 June 2014, Burey Gold had \$1.9 million cash.

### **For more information contact:**

Klaus Eckhof  
Managing Director  
Tel: +377 680 866 300  
[klauseckhof@monaco.mc](mailto:klauseckhof@monaco.mc)

Nathan Ryan  
Investor Relations  
Tel: 0420 582 887  
[nathan.ryan@nwrccommunications.com.au](mailto:nathan.ryan@nwrccommunications.com.au)

Website: [www.bureygold.com](http://www.bureygold.com)

*The information in this report that relates to the Balatindi Project was first reported by the Company in compliance with JORC 2012 in a market release dated 30 April 2014. The information in this report that relates to the Giro Project was first reported by the Company in compliance with JORC 2012 in a market release dated 22 May 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements dated 30 April and 22 May 2014 respectively.*



Mineral Interests held at 30 June 2014 are as follows:-

**Project Location:** Guinea, West Africa

<i>Concession name and type</i>	<i>Registered Holder</i>	<i>Burey's current equity interest</i>	<i>Maximum equity interest capable of being earned</i>	<i>Notes</i>
Mansounia Exploration Permit	Caspian Oil & Gas Ltd	-	85%	1
Balatindi Exploration Permit	Africa Banawa Mining SARLU	-	90%	2,3

Notes:

1. As noted in the Activity Report, Burey has entered into an agreement for the sale of its interest in the Mansounia property. Settlement was outstanding at 30 June 2014 but is imminent at the date of this report.
2. If a decision is made to start mining operations, the relevant parties must enter into a new agreement, a mining title will be required and a new Guinean company must be formed. The Government of Guinea must be allocated 15% of the shares of the new company, such interest to be free carried.
3. Burey has an option to acquire an initial 90% interest in the named property and is responsible for sole funding exploration on the property after exercise of the option. Burey has the right to acquire a further 5% by payment of US\$500,000 and the remaining 5% by granting a 1% net smelter royalty. The Government of Guinea's statutory 15% free-carried beneficial interest on commencement of production would be adjusted against Burey's interest. As noted in the Activity Report, Burey has exercised its right to acquire a 90% interest, completion of which is pending the preparation of legal documentation.

**Changes in the Quarter to tenement interests / farm-in and joint venture agreements:** There were no changes during the quarter, other than as reported elsewhere in this report.