

Burey Gold Limited
and its controlled entities
(ABN 14 113 517 203)

Half Year Report
31 December 2014

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity, comprising Burey Gold Limited (the "Company") and its controlled entities (collectively "Burey" or the "Group") for the half year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Klaus Peter Eckhof	Chairman
Susmit Mohanlal Shah	Non-executive director
Kevin Peter Thomson	Non-executive director
Mark Andrew Calderwood	Non-executive director (appointed 12/08/2014)
Ron Norbert Gajewski	Non-executive Chairman (resigned 12/08/2014)

Results

The consolidated loss for the half year after tax was \$453,653 (2013: \$6,915,212). The loss for the previous half year (December 2013) was impacted by a write down in or write-offs of exploration expenditure (\$6.6m) on a number of mineral projects in Guinea. There have been no such write-offs in the current reporting period. The loss for the reporting period was due mainly to administration and corporate overhead costs.

Giro Gold Project, Democratic Republic of Congo ("DRC") (Burey 55.25%)

During the reporting period, the Company acquired an 85% interest in the share capital of Amani Consulting sarl ("Amani"), which company in turn holds a 65% interest in the share capital of Giro Goldfields Exploration sarl ("Giro sarl"). Giro sarl is the holder of two exploitation permits ("Giro Gold Project") which cover 610km² of prospective ground in the Oriental Province, northeast DRC. The total consideration paid by the Company comprised the issue of 118,073,001 fully paid ordinary shares (at an issue price of \$0.023 per share at the issue date of 5 September 2014), 47,500,000 options exercisable at \$0.05 each on or before 31 December 2016 and a cash payment of US\$300,000. In addition to acquiring the shares in Amani, loans provided to Amani by one of the vendors for funding previous exploration activity have been assigned to the Company. Amongst other things, the Company is now responsible for sole funding exploration activity at the Giro Gold Project, which costs can be recovered in priority to shareholders in Giro sarl from any future proceeds from mineral production at the Giro Gold Project.

The tenements are located less than 30km west of Randgold Resources / AngloGold Ashanti's multimillion ounce Kibali Gold deposits. Kibali has 12Moz gold at 4g/t in proven and probable ore reserves and 17Moz in Measured and Indicated mineral resources. The Giro Gold 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 these areas are presently subject to mining by artisanal miners.

The Company acquired a controlling interest in the Giro Gold Project in September 2014 and soon thereafter commenced refurbishment of the road to the first drill program target, Giro Prospect. An initial 3,000m Reverse Circulation drilling programme was planned to test the continuity of high grade mineralization intersected at Kebigada Shear Zone, within the Giro Prospect, down to 100m as well as continuity of mineralization to the northwest and southeast of the prospect. Drilling is also planned to test the true width of the mineralized zone expected to exceed 300m across the structure. The drilling programme will consist of 2,800m at Giro and 200m at Peteku to test for mineralization under previous Belgian high grade quartz vein mining. The Company commenced drilling in mid-October.

DIRECTORS' REPORT (continued)

By the end of the reporting period, only 8 holes for approximately 505 metres had been drilled due to unseasonal and exceptionally wet weather which made drilling to planned depths of 100m difficult. The drill contractor had to order steel casing to stabilise holes down to fresh rock. First drill results were announced after the end of the reporting period.

In addition to the ongoing drilling program at Giro, soil sampling and detailed geological mapping and sampling programmes were completed over the priority area to the north and south of the Giro Prospect area to confirm the potential strike extent and continuation of gold mineralisation identified in initial drilling at Giro.

Balatindi Gold, Copper, Uranium Polymetallic Deposit, Guinea (Burey 75%, Government 15%, Vendor 10%)

Exploration activities in Guinea during the reporting period were reduced to care and maintenance while the Company continues to monitor the current Ebola epidemic. Once the epidemic has been contained the Company will make plans to conduct a RC drilling programme to confirm gold and copper mineralisation on strike to the west and east of the area drilled by previous explorer, Mining Italia and thereafter by Burey.

Corporate

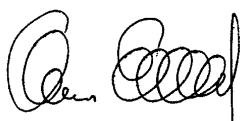
As noted earlier, the Company issued 118,073,001 fully paid ordinary shares at an issue price of \$0.023 per share on 5 September 2014 and 47,500,000 options exercisable at \$0.05 each on or before 31 December 2016 and made a cash payment of US\$300,000 as consideration for the acquisition of 85% of Amani Consulting sarl.

In late November 2014, the Company issued 50m shares at \$0.02 each to raise \$1 million to fund exploration activity at the Giro Gold Project.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the auditor, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001, and on behalf of the Board by:



Klaus Eckhof
Chairman

Dated: 16th March 2015

Competent Person's Statements – Exploration Results

The information in this report that relates to the Giro Gold Project was first reported by the Company in compliance with JORC 2012 in a market release dated 14 January 2015 (in addition to the 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 announcement dated 14 January 2015.

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF BUREY GOLD LIMITED

As lead auditor for the review of Burey Gold Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Burey Gold Limited and the entities it controlled during the period.



Chris Burton
Director

BDO Audit (WA) Pty Ltd

Perth, 16 March 2015

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Notes	Consolidated	
		31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations		12,640	25,383
Consultants and corporate costs		(264,922)	(101,690)
Salaries, wages and employment expenses		(104,266)	(125,925)
Depreciation expense		(2,941)	(3,081)
Exploration expenses written off		-	(6,617,913)
Occupancy expenses		(35,564)	(37,812)
Travel expenses		(52,721)	(13,242)
Share based payments expense	2	(3,804)	(85,256)
Other expenses	2	(2,075)	44,324
Loss before related income tax expense		(453,653)	(6,915,212)
Income tax (expense) / benefit		-	-
Net Loss for the half year		(453,653)	(6,915,212)
Net loss attributable to:			
Owners of Burey Gold Limited		(429,138)	(6,915,212)
Non-controlling interest		(24,515)	-
		(453,653)	(6,915,212)
Other comprehensive income / (loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		1,560,533	122,254
Changes in the fair value of available for sale financial assets		135,027	-
Total comprehensive income / (loss) for the half year attributable to members of Burey Gold Limited		1,241,907	(6,792,958)
Total comprehensive income / (loss) is attributable to:			
Owners of Burey Gold Limited		1,070,839	(6,792,958)
Non-controlling interest		171,068	-
		1,241,907	(6,792,958)
Loss per share for the half year attributable to members of Burey Gold Limited			
Basic loss per share (cents per share)		(0.10)	(1.95)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	Consolidated	
		31 December 2014 \$	30 June 2014 \$
Assets			
Current Assets			
Cash and cash equivalents		970,584	1,870,025
Loan receivable		-	500,000
Other receivables		44,838	147,826
Total Current Assets		1,015,422	2,517,851
Non-Current Assets			
Other receivables		20,125	20,125
Available-for-sale financial asset	3	1,007,142	872,115
Property, plant and equipment		90,647	44,095
Exploration and evaluation expenditure	4	14,388,532	5,818,071
Total Non-Current Assets		15,506,446	6,754,406
Total Assets		16,521,868	9,272,257
Liabilities			
Current Liabilities			
Trade and other payables		112,785	88,324
Total Current Liabilities		112,785	88,324
Total Liabilities		112,785	88,324
Net Assets		16,409,083	9,183,933
Equity			
Contributed equity	5	27,522,128	23,820,845
Reserves		4,493,910	2,467,629
Accumulated losses		(17,533,679)	(17,104,541)
Capital and reserves attributed to the owners of Burey Gold Limited		14,482,359	9,183,933
Non-controlling interest		1,926,724	-
Total Equity		16,409,083	9,183,933

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

2014

	Contributed Equity	Accumulated Losses	Share Based Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Non-controlling interests	Total Equity
	\$	\$	\$		\$	\$	\$
Balance at 1 July 2014							
Total comprehensive income for the half year	23,820,845	(17,104,541)	2,395,828	-	71,801	-	9,183,933
Loss for the half-year	-	(429,138)	-	-	-	(24,515)	(453,653)
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign operations	-	-	-	-	1,364,950	195,583	1,560,533
Changes in the fair value of available for sale financial assets	-	-	-	135,027	-	-	135,027
Total comprehensive loss for the half year	-	(429,138)	-	135,027	1,364,950	171,068	1,241,907
Transactions with equity holders in their capacity as equity holders							
Share issue (net of costs)	3,701,283	-	-	-	-	-	3,701,283
Transactions with non-controlling interests	-	-	-	-	-	1,755,656	1,755,656
Share based payments expense – option issue	-	-	522,500	-	-	-	522,500
Share based payments expense – performance rights	-	-	3,804	-	-	-	3,804
Balance at 31 December 2014	27,522,128	(17,533,679)	2,922,132	135,027	1,436,751	1,926,724	16,409,083

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

2013

	Contributed Equity	Accumulated Losses	Share Based Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$		\$	\$
Balance at 1 July 2013	23,142,488	(9,650,064)	2,310,572	-	316,368	16,119,364
Total comprehensive income for the half year						
Loss for the half-year	-	(6,915,212)	-	-	-	(6,915,212)
<i>Other comprehensive income</i>						
Exchange differences on translation of foreign operations	-	-	-	-	122,254	122,254
Total comprehensive loss for the half year	-	(6,915,212)	-	-	438,622	(6,792,958)
Transactions with equity holders in their capacity as equity holders						
Share based payments expense	-	-	85,256	-	-	85,256
Balance at 31 December 2013	23,142,488	(16,565,276)	2,395,828	-	438,622	9,411,662

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(346,203)	(279,789)
Interest received	14,356	26,721
Net cash used in operating activities	<u>(331,847)</u>	<u>(253,068)</u>
Cash flows from investing activities		
Payment for Exploration Asset	(321,268)	-
Proceeds from sale of prospects	106,316	-
Payments for exploration expenditure	(1,370,039)	(826,538)
Cash received from acquisition	21,353	-
Net cash used in investing activities	<u>(1,563,638)</u>	<u>(826,538)</u>
Cash flows from financing activities		
Proceeds from issue of shares	1,000,000	-
Payment for share issue costs	(14,396)	-
Net cash provided by financing activities	<u>985,604</u>	<u>-</u>
Net decrease in cash held	(909,881)	(1,079,606)
Cash and cash equivalents at 1 July	1,870,024	3,666,652
Effect of exchange rate changes	10,441	44,325
Cash and cash equivalents at 31 December	<u><u>970,584</u></u>	<u><u>2,631,371</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

These half-year financial statements do not include full disclosures of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial statements.

It is recommended that these half-year financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Burey Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

These half-year financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Going concern

The interim financial report has been prepared on a going concern basis which contemplates that the Group will realise its assets and extinguish its liabilities in the normal course of business at amounts stated in the half yearly report. At 31 December 2014, the Company had net assets of \$16,409,083 (30 June 2014: \$9,183,933). The Company incurred a net loss after tax of \$453,653 (2013: \$6,915,212) and net operating and investing cash outflows of \$1,895,485 (2013: 1,079,606) and continues to incur expenditure on its exploration projects drawing on its cash balances. As at 31 December 2014, the Company had \$970,584 (30 June 2014: \$1,870,025) in cash and cash equivalents.

The directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based upon the Company's existing cash resources and the ability to modify expenditure outlays if required. However in order to continue the exploration of its major assets in Guinea and the Democratic Republic of Congo the Company will require additional funds to be raised. The directors' are confident of sourcing additional funds and accordingly no adjustments have been made to the interim financial report relating to the recoverability and classification of asset carrying amounts or the amount of liabilities.

In the unlikely event that the Company is unable to modify expenditure outlays and raise the additional funding referred to above, there is a material uncertainty whether the Company will be able to continue as a going concern in the future and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the interim financial report.

Asset Acquisition

On 5 September 2014, Burey Gold Limited acquired 85% of the issued shares of Amani Consulting sarl (Amani) by the issue of shares, options and cash. Amani is an unlisted private company that is incorporated in the Democratic Republic of Congo (DRC) and it is an investment company with its main asset being a 65% shareholding in Giro Goldfields Exploration sarl (Giro). Giro explores the Giro Gold Project in the Oriental Province, northeast DRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. The transaction must be accounted for as a share based payment for the net assets acquired.

Significant accounting judgments and key estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half year financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement for the year ended 30 June 2014.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. As a result of this review the Directors have determined that there is no change necessary to Group accounting policies. From 1 July 2014 the Group applied AASB 13 Fair Value Measurement. The Group has reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurements of assets and liabilities. AASB 13 also requires additional disclosures (refer to Note 3). Application of AASB 13 has not materially impacted the fair value measurements of the Group.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year 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 its business and, therefore, no change necessary to Group accounting policies.

NOTE 2: EXPENSES

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Loss includes the following specific expenses:		
Foreign exchange (gain)/loss	2,075	(44,324)
Share based payment expense	3,804	85,256

During the half-year to 31 December 2014, the consolidated entity has recognised an expense of \$3,804 (2013: \$85,256) in relation to the calculated fair value of performance rights (over ordinary shares) in the Company vesting in the period (prior period expense related to options over ordinary shares) – refer to Note 12 for further details.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 3: AVAILABLE FOR SALE FINANCIAL ASSET

	31 December 2014	30 June 2014
	\$	\$
Listed securities – overseas equity securities	<u>1,007,142</u>	<u>872,115</u>
Equity securities consist of:		
Opening balance	872,115	-
Receipt of available-for-sale financial assets as part consideration for sale of mineral prospects	-	872,115
Fair value adjustment as at balance date	135,027	-
	<u>1,007,142</u>	<u>872,115</u>

Available-for-sale financial assets comprise an investment in USA over the counter listed Blox Inc. The investment is recorded at fair value at each reporting date, with changes in value recognised directly in other comprehensive income.

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014	30 June 2014
	\$	\$
Costs carried forward in respect of areas of interest:		
Exploration and evaluation phase – at cost		
Balance at 1 July	5,818,071	12,552,315
Expenditure incurred	1,332,614	1,227,780
Exploration expenditure written off	-	(6,766,512)
Asset acquisition – Giro project (Note 6)	5,676,360	-
Disposal of tenement – Mansounia project	-	(980,499)
Foreign currency translation differences	1,561,487	(215,013)
Total exploration and evaluation expenditure	<u>14,388,532</u>	<u>5,818,071</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 5: CONTRIBUTED EQUITY

	31 December 2014	30 June 2014
	\$	\$
<i>(a) Ordinary shares</i>		
Issued and fully paid		
575,368,925(30 June 2014: 407,295,924)	27,522,128	23,820,845
<i>Movements in ordinary shares on issue</i>		
Balance at 1 July 2014	23,820,845	23,142,488
Placement of 53,076,921 shares at 1.3 cents, June 2014	-	690,000
118,073,001 shares issued at 2.3 cents as purchase consideration	2,715,679	-
Placement of 50,000,000 shares at 2 cents, November 2014	1,000,000	-
Share issue expenses	(14,396)	(11,643)
Balance at 31 December / 30 June	27,522,128	23,820,845

(b) Share Options

Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Exercise Price	Opening Balance	Options Issued	Options Exercised/Cancelled/Expired	Closing Balance
		1 July 2014	2014	2014	31 December 2014
		Number	Number	Number	Number
6 February 2013 – 6 February 2015	\$0.08	6,000,000	-		6,000,000
6 February 2014 – 6 February 2015	\$0.12	6,000,000	-		6,000,000
8 September 2014 - 31 December 2016	\$0.05	-	47,500,000		47,500,000
		12,000,000	47,500,000		59,500,000

47.5m options granted during the period comprised part of the purchase consideration for the Giro Gold Project.

(c) Performance Rights

	<i>Number</i>
Balance at 1 July 2014	-
Granted on 17 December 2014	17,000,000
- Subject to vesting conditions each performance right can be exercised (at a nil price) for one ordinary share on or before the expiry date of 31 December 2017	
Balance at 31 December 2014	17,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 6: ASSET ACQUISITION

Summary of acquisition

On 5 September 2014, Burey Gold Limited acquired 85% of the issued shares of Amani Consulting sarl (Amani) by the issue of shares, options and cash. Amani is an unlisted private company that is incorporated in the Democratic Republic of Congo (DRC) and it is an investment company with its main asset being a 65% shareholding in Giro Goldfields Exploration sarl (Giro). Giro explores the Giro Gold Project in the Oriental Province, northeast DRC.

As the transaction is not deemed a business acquisition, the transaction must be accounted for as a share based payment for the net assets acquired. Refer to note 9 for contingent payments.

The fair value of the assets acquired at the date of acquisition and share based payments are outlined as follows:

	\$
Purchase Consideration	
- Cash paid	321,268
- Shares issued	2,715,679
- Options issued	522,500
Total Purchase Consideration	<u>3,559,447</u>
Fair Value of assets and liabilities acquired	
- Cash and cash equivalents	21,353
- Receivables and prepayments	45,511
- Plant and equipment	39,967
- Deferred exploration expenditure	5,676,360
- Creditors and other payables	(468,088)
Net Identifiable assets acquired	<u>5,315,103</u>
Less: non-controlling interests	(1,755,656)
Net Assets Acquired	<u><u>3,559,447</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 7: SEGMENT INFORMATION

Management has determined that the Group has one reportable segment, being mineral exploration in Africa. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

	31 December 2014 \$	31 December 2013 \$
Revenue from external sources	-	-
Reportable segment loss	(55,235)	(6,525,704)
Reconciliation of reportable segment profit or loss		
Reportable segment loss	(55,235)	(6,525,704)
Other revenue / income	12,640	25,383
Unallocated:		
Corporate expenses	(411,058)	(414,891)
Loss before tax	(453,653)	(6,915,212)
Reportable segment assets	14,640,681	9,520,673

NOTE 8: NON-CASH FINANCING AND INVESTING ACTIVITIES

During the reporting period, the Company issued 118,073,001 fully paid ordinary shares at an issue price of \$0.023 per share and 47,500,000 options (exercisable at \$0.05 each on or before 31 December 2016) at a nil issue price as part consideration for acquisition of an 85% interest in the share capital of Amani Consulting sarl. This partial consideration has been recorded at \$2.7m for shares and \$0.26m for the options for an aggregate value of \$2.96m.

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

There has been a material change in contingent assets or contingent liabilities since the last annual reporting date as a result of the Company's acquisition of the interest in the Giro Gold Project via the 85% ownership in Amani Consulting sarl ("Amani"). Contingent liabilities of the Burey Group are as follows:

If 3moz (measured and indicated category) gold resources at a cut-off grade of 2.5g/t Au are estimated at the Giro Project, Burey will pay US\$5,350,000 to the Amani Vendors. 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 (which studies must be completed by January 2016 under the current terms of the Association Agreement, however an extension has been sought to January 2018) 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 by Amani to the DRC Government and Societe Miniere De Kilo Moto (Sokimo) respectively.

In view of the nature of the trigger events and the early stage of exploration activity at the Giro Gold Project, these liabilities are contingent in nature and no values were allocated as liabilities in this financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

NOTE 11: DIVIDENDS

No dividends have been declared during the period.

NOTE 12: SHARE-BASED PAYMENTS

Performance Rights – Non-plan based

Shareholders approved the issue of an aggregate of 17 million performance rights to certain key management personnel at the Annual General Meeting held on 26 November 2014. Two tranches of performance rights were granted.

- Tranche 1 for 8,500,000 rights has a market vesting condition being a share price of 5 cents or more over a consecutive 20 day business period.
- Tranche 2, also for 8,500,000 rights, has a non-market vesting condition being the estimation of a mineral resource of at least one million gold or gold equivalent ounces on any Burey Group mineral project and included in a market release.

Please refer to Note 5 for the summaries of options and performance rights granted under share-based payments.

Fair value of options and performance rights granted

The fair values at grant date are independently determined using a Black-Scholes option pricing model (for the options) or trinomial model (for the performance rights) that takes into account the exercise price, the term of the options or rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the options or rights.

The model inputs for options and performance rights granted during the half-year ended 31 December 2014 included:

<i>Model Inputs</i>	Options	Performance Rights	
		Tranche 1	Tranche 2
Exercise price	5.0 cents	nil	nil
Grant date	5 September 2014	26 November 2014	26 November 2014
Expiry date	31 December 2016	31 December 2017	31 December 2017
Share price at grant date (cents)	2.3 cents	1.8 cents	1.8 cents
Expected volatility (%)	115%	100%	100%
Risk free rate (%)	2.5%	2.5%	2.5%

The fair value of the options granted was not recognised as an expense in the reporting period as it formed part of the purchase consideration for the Giro Project – refer Note 6 (2013: \$85,256).

The fair value of performance rights granted and recognised as an expense in the reporting period was \$3,804 (2013: \$nil).

The weighted average remaining contractual life of options and performance rights outstanding at the reporting date was 1.61 years and 2.85 years respectively.

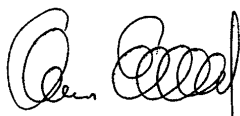
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Burey Gold Limited we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) there are reasonable grounds to believe that Burey Gold Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001, and on behalf of the Board by:



Klaus Eckhof
Chairman

16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Burey Gold Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Burey Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Burey Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Burey Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Burey Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent on the Company raising additional funds. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the half-year financial report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink that reads 'C Burton'.

Chris Burton

Director

Perth, 16 March 2015

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