



BUREY GOLD

NOTICE OF GENERAL MEETING

AND

**EXPLANATORY STATEMENT
TO SHAREHOLDERS**

A PROXY FORM IS ENCLOSED

Date of Meeting

Thursday, 24 March 2016

Time of Meeting

11.00 am

Venue

The Business Centre, Level 1, Suite 5, 55 Salvado Road,
Subiaco, Western Australia

These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor.

BUREY GOLD LIMITED

ACN 113 517 203

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the members of Burey Gold Limited (“Burey” or the “Company”) will be held on Thursday, 24 March 2016 at 11am WST at The Business Centre, Level 1, Suite 5, 55 Salvado Road, Subiaco, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

1. Resolution 1 – Ratification of Securities issue

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 68,500,000 Shares and 68,500,000 free attaching options in January 2016 to raise \$1.37 million on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on Resolution 1 by any person who participated in the Securities issue and any associate of that person. However, the Company need not disregard a vote if it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Ratification of Option Issue

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 options in December 2015 comprising a fee for capital raising services on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on Resolution 2 by any person who participated in the option issue and any associate of that person. However, the Company need not disregard a vote if it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval of Issue of Performance Rights to Mr Klaus Eckhof

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act 2001 and for all other purposes, the issue of 22.5 million Performance Rights to Mr Klaus Eckhof on the terms set out in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion applies and is described below

4. Resolution 4 – Approval of Issue of Performance Rights to Mr Susmit Shah

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act 2001 and for all other purposes, the issue of 22.5 million Performance Rights to Mr Susmit Shah on the terms set out in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion applies and is described below

5. Resolution 5 – Approval of Issue of Performance Rights to Mr Mark Gasson

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the issue of up to 22.5 million Performance Rights to Mr Mark Gasson on the terms set out in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion applies and is described below

6. Resolution 6 – Approval of Issue of Options to Mr Mark Calderwood

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act 2001 and all other purposes, the issue of 2,500,000 Options at an exercise price of \$0.04 each and 2,500,000 Options at an exercise price of \$0.05 each, all with an expiry date of 31 December 2020, to Mr Mark Calderwood (or his nominee) on the terms set out in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion applies and is described below

7. Resolution 7 – Approval of Issue of Options to Mr Kevin Thomson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act 2001 and all other purposes, the issue of 2,500,000 Options at an exercise price of \$0.04 each and 2,500,000 Options at an exercise price of \$0.05 each, all with an expiry date of 31 December 2020, to Mr Kevin Thomson (or his nominee) on the terms set out in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion applies and is described below

8. Resolution 8 – Approval of Issue of Options to Corporate Advisor

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue of 22.5 million Options to Hartleys Limited (or its nominee) (split into three equal tranches of 7,500,000 Options with exercise prices of \$0.03, \$0.04 and \$0.05 respectively per Option, all with an expiry date of 31 December 2020) on the terms set out in the Explanatory Statement, be and is hereby approved.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Hartleys Limited and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, or any associate of those persons. However, the Company will not disregard a vote if:

- a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

9. Resolution 9 – Approval to issue Securities

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 100,000,000 securities at an issue price that is at least 80% of the volume weighted average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue is made, in accordance with the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit if this Resolution is passed (and any associates of those persons), except a benefit solely in the capacity of a holder of ordinary securities. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Exclusions and Explanatory Notes

Resolution 3, 4, 5, 6 and 7 Voting Exclusion:

As Resolutions 3, 4, 5, 6 and 7 concern remuneration for key management personnel (being Messrs Eckhof, Shah, Gasson, Calderwood and Thomson), in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

(a) the proxy is either:

- (i) a member of the Key Management Personnel; or
- (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on these Resolutions.

However, the above prohibition does not apply if:

(a) the proxy is the Chairman of the Meeting; and

(b) the appointment expressly authorises the Chairman to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish to appoint a member of the Key Management Personnel (which includes each of the directors and the Chairman) or a Closely Related Party of such a member as your proxy, please read the voting exclusion above and in the proxy form carefully.

In addition, in accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 3 by Mr Eckhof, Resolution 4 by Mr Shah, Resolution 6 by Mr Calderwood and Resolution 7 by Mr Thomson and any associates of those persons respectively. The Company will disregard any votes cast on Resolution 5 by Mr Gasson and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, or any associate of those persons. However, the Company need not disregard a vote if it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

How the Chair will vote available proxies

The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice. The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related resolutions (Resolutions 3 through to 7).

Shareholders are encouraged to direct their proxies how to vote (as opposed to issuing an open proxy).

Default to the Chair

Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote those proxies as directed.

Registered Shareholders

A registered shareholder may attend the Meeting in person or may be represented thereat by proxy. In accordance with section 249L of the Corporations Act, shareholders are advised that:

- the proxy need not be a shareholder of the Company;
- each shareholder may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion; and
- a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Accordingly, if you are a registered shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy in accordance with the instructions contained in the form and return it in accordance with the following:

Registered Office: LEVEL 1, SUITE 5, THE BUSINESS CENTRE
55 SALVADO ROAD
SUBIACO, WESTERN AUSTRALIA 6008

Facsimile Number: (61 8) 9380 6761

Email: proxy@bureygold.com

Postal Address: P O Box 131
SUBIACO, WESTERN AUSTRALIA 6904

The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the Meeting (proxy forms can be lodged by facsimile or email).

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 7.00pm Sydney time on 22 March 2016 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

S M Shah
Company Secretary
19 February 2016

GLOSSARY

\$ means Australian dollars.

General Meeting or **GM** or **Meeting** means the meeting convened by the notice.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Burey Gold Limited (ACN 113 517 203).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory Statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share on specified terms and conditions.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

BUREY GOLD LIMITED

ABN 14 113 517 203

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of shareholders of Burey Gold Limited (“**Burey**” or the “**Company**”) in connection with the business to be conducted at the General Meeting to be held on Thursday, 24 March 2016 at 11am WST at The Business Centre, Level 1, Suite 5, 55 Salvado Road, Subiaco, Western Australia.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

2. RESOLUTIONS 1 and 2 – Ratification of Prior Securities Issues

Since the Company’s last Shareholders’ meeting (November 2015 annual general meeting), the Company has completed a number of securities issues within its 15% and 10% placement capacity. Resolutions 1 and 2 seek ratification of those prior securities issues so as to retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

2.1 Resolution 1 – Ratification of Securities Issue

In January 2016, the Company completed a share placement to professional, sophisticated and other exempt investors at an issue price of \$0.02 per Share to raise \$1.37 million before expenses of the issue.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 68,500,00 Shares and 68,500,000 free attaching Options were issued on 19 January 2016 (the Shares were issued under the Company’s 10% placement capacity in accordance with ASX Listing Rule 7.1A whereas the Options were issued under the 15% placement capacity);
- (b) the issue price for the Shares was \$0.02 each to raise a total of \$1,370,000 before expenses of the issue and the Options were free attaching on a one for one basis;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares. The Options are in the same class as the existing listed BYRO class, exercisable at \$0.05 each on or before 31 July 2017;
- (d) the securities were issued to sophisticated and professional investors, none of whom are related parties of the Company; and
- (e) the funds raised from the capital raising were to augment the Company’s working capital for use on exploration activities including at the Giro Gold Project.

A voting exclusion statement is included in the Notice.

2.2 Resolution 2 – Ratification of Option Issue

On 1 December 2015, the Company issued 10,000,000 Options as a partial fee for capital raising services (refer to announcement dated 27 October 2015 for details of the capital raising the subject of this fee).

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 10,000,000 Options were issued on 1 December 2015 (the Options were issued under the 15% placement capacity);
- (b) the issue of Options comprised part of the fee for services in relation to the capital raising referred to in the announcement dated 27 October 2015 and no funds were raised from the issue of the Options;
- (c) the Options are in the same class as the existing listed BYRO class, exercisable at \$0.05 each on or before 31 July 2017;
- (d) the Options were issued to Zenix Nominees Pty Ltd, a nominee of stockbroker Hartleys Limited, none of whom are related parties of the Company; and

A voting exclusion statement is included in the Notice.

3. RESOLUTIONS 3 – 5 – Approval for the Issue of Performance Rights

General Information

Shareholder approval is being sought for the granting of Performance Rights (“PRs”) to Chairman, Mr Klaus Eckhof, Director & Company Secretary, Mr Susmit Shah and Exploration Manager, Mr Mark Gasson (collectively the “Key Management Personnel” or “KMPs”).

A Performance Right is a right to be issued a Share upon satisfaction of specified performance conditions and the expiry of a vesting period. For the purposes of the PRs proposed under resolutions 3, 4 and 5, there will be three tranches and each tranche will have different performance criteria in order for the PRs to vest.

A total of 67.5 million PRs (that may convert to up to 67.5 million Shares) are proposed as follows:

Proposed Holder	Tranche 1 Performance Criteria - ASX market price VWAP of \$0.03 (refer notes below)	Tranche 2 Performance Criteria - ASX market price VWAP of \$0.04 (refer notes below)	Tranche 3 Performance Criteria - ASX market price VWAP of \$0.05 (refer notes below)	Total
Klaus Eckhof	7,500,000	7,500,000	7,500,000	22,500,000
Susmit Shah	7,500,000	7,500,000	7,500,000	22,500,000
Mark Gasson	7,500,000	7,500,000	7,500,000	22,500,000
Total	22,500,000	22,500,000	22,500,000	67,500,000

A summary of the key terms for the PRs’ is as follows:

- Tranche 1 - the PRs will vest and convert into Shares in the event that the Company’s Shares trade at a daily volume weighted average price of at least \$0.03 for a consecutive period of at least 10 trading days;
- Tranche 2 – the PRs will vest and convert into Shares in the event that the Company’s Shares trade at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 10 trading days;
- Tranche 3 – the PRs will vest and convert into Shares in the event that the Company’s Shares trade at a daily volume weighted average price of at least \$0.05 for a consecutive period of at least 10 trading days;
- the PRs will expire on 31 December 2020; and
- the PRs will expire if the holder ceases to be an officer of and a service provider to the Company.

At this stage, the Company is not planning to adopt a Performance Rights Plan but rather seeks shareholder approval for the specific grant of PRs’ to the KMPs’. A formal plan may be adopted for implementation in the future.

The PRs are being granted to provide the KMPs with an incentive for future services and as a reward for past services, with Mr Eckhof having been involved with the Company in an executive capacity since early 2012, Mr Shah having been involved since the Company’s incorporation in 2005 as a director and company secretary, and Mr Gasson being in the role of Burey’s Exploration Manager since 2012.

Klaus Eckhof – CEO and Managing Director until August 2013, now Chairman. Mr Eckhof’s high level involvement particularly in the DRC given his history and contacts is essential in maintaining good relations with all local partners and Government authorities. Mr Eckhof’s involvement in capital raising, investor relations and company promotion is critical and ongoing.

Susmit Shah – Director and Company Secretary with responsibility for all company secretarial and Australian parent company legal and financial reporting obligations, as well as ongoing liaison with Mark Gasson and rest of the technical team. Treasury management at Group level.

Mark Gasson – Exploration Manager with responsibility across DRC and Guinea projects, coordination of all staff, contractors, planning, implementation and reporting of all exploration activities, liaison with local partners and Government authorities.

The issue of the PRs as part of the remuneration packages of senior executives is an established practice of public listed

companies and, in the case of the Company, has the benefit of conserving cash whilst providing a meaningful incentive to the KMPs'. The KMPs' will also have a vested interest in the affairs of the Company. The proposed grant of PRs to the KMPs' is appropriate in the circumstances and it is a practice that a large number of junior listed companies adopt. The current remuneration of the KMPs' (refer below) is considered modest in comparison to peers (over the past two years, in line with the difficult capital market conditions, both Mr Eckhof and Mr Shah have accepted significant reductions in their remuneration). In recognition of the Company's circumstances, the roles of the KMPs' in managing the affairs of the Company and where the Company is dependent on raising new equity capital from time to time to carry on its activities, the Board considers an award of PRs is justified.

ASX's Corporate Governance Principles and Recommendations suggest that non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity. Mr Calderwood and Mr Thomson the directors with no personal interest in these resolutions take a different view and believe that proposed issue of the PRs (and the specific hurdles) aligns the interest of the proposed recipients with the interest of Shareholders generally. Any benefit that the proposed recipients realise in the future from the grant of the PRs will be contemporaneous with an increase in Shareholder value.

As noted above, Mr Eckhof was CEO and Managing Director until August 2014 and he's now Executive Chairman. Mr Shah is a director and company secretary and the proposed issue of the performance rights is primarily in relation to the company secretarial, accounting and finance responsibilities (refer above) that he handles. The proposed grant of PRs to Mr Eckhof, and Mr Shah is appropriate in the circumstances and it is a practice that a large number of junior listed companies adopt.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is proposed that two of the existing Directors, Mr Eckhof and Mr Shah be granted PRs. Each of these persons is a related party within the terms of the ASX Listing Rules. Accordingly, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11 unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of PRs and any Shares issued to Mr Eckhof and Mr Shah on vesting of the PRs will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act – Related Party Transactions

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of PRs constitutes giving a financial benefit and Mr Eckhof and Mr Shah are related parties of the Company by virtue of being Directors.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of PRs to Mr Eckhof and Mr Shah.

Directors' Recommendations

Mr Eckhof and Mr Shah have a vested interest in the proposed issue of the PRs' and therefore make no recommendation, however they note that the benefit, if any, from the grant of the PRs' will only flow upon satisfaction of the performance criteria noted above, which should be value accretive to Shareholders as a whole. Mr Eckhof and Mr Shah have no personal interest in Resolution 5, proposed issue of PRs' to Mr Gasson and recommend that Shareholders approve this resolution. Mr Calderwood and Mr Thomson have no personal interest in Resolutions 3, 4 and 5 and recommend that Shareholders approve these resolutions.

The Directors also consider the quantum of PRs' to be reasonable in the circumstances. In forming their recommendations,

each Director considered the experience of each other Director, the current market price of Shares and the current market practices when determining the number of PRs.

The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolutions.

Valuation of the Financial Benefit

The value of the PRs, based on the market price of the underlying Shares at the time of preparing this Notice would be as follows (refer to Appendix 2 for valuation methodology):

Proposed Holder	Total PRs	\$
Klaus Eckhof	22,500,000	537,000
Susmit Shah	22,500,000	537,000
Mark Gasson	22,500,000	537,000
Total	67,500,000	1,611,000

KMPs' Remuneration Packages

Other than the proposed PRs to be issued, a summary of KMPs' current remuneration is as follows:

Klaus Eckhof – \$130,000 per annum for Executive Chairman's role.

Susmit Shah – Mr Shah's director's fee is set at \$20,000 per annum plus statutory superannuation. Mr Shah's company secretarial services are provided via a related entity, Corporate Consultants Pty Ltd (CCPL). In addition to those company secretarial services, CCPL also provides all office administration, bookkeeping and accounting services to Burey's Perth based corporate office, presently for a monthly fee which is charged on a time basis but capped at \$15,000 per month.

Mark Gasson – \$180,000 per annum as Exploration Manager;

KMPs' Existing Securities Interests

The relevant interests of the KMPs' in existing Securities of the Company (excluding the PRs the subject of Resolutions 3, 4 and 5) are set out below:

	Shares (BYR)	Options (BYRO)	Performance Rights
Klaus Eckhof	-	-	3,500,000
Susmit Shah	2,100,000	1,050,000	5,500,000
Mark Gasson	200,000	100,000	8,000,000

Of the securities listed above, only the performance rights have been issued in the past as part of these KMPs' remuneration packages.

Potential Dilution and Other Information

Based on the 842.6 million Shares presently on issue, the Shares issuable upon exercise of the PRs proposed to be granted to the KMPs (including the two Directors, Messrs Eckhof and Shah) represent a potential dilution of 7% of the (current) issued Shares of the Company.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the PRs upon the proposed terms. No stamp duty or fringe benefit tax will be payable in respect of the grant of the PRs. No GST will be payable by the Company in respect of the grant of the PRs (or if it is then it will be recoverable as an input credit). Payroll tax at normal rates may be payable in the future by the Company, subject to the vesting of the PRs.

No funds will be raised from the issue of PRs as the PRs will be issued for nil consideration. Should the PRs convert to Shares on satisfaction of the specified performance hurdles, no consideration will be payable for the issue of the Shares;

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	3.4 cents	19 February 2015
Lowest	1.4 cents	23 December 2015
Last	2.5 cents	15 February 2016

The following information is provided in relation to the proposed issue of PRs to Mr Eckhof and Mr Shah for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.13 and for the purposes of ASX Listing Rule 7.3 in the case of Mr Gasson:

- (a) The number of PRs (and hence the maximum number of Shares) to be issued to each of Mr Eckhof, Mr Shah and Mr Gasson is 22,500,000. The related parties are Mr Eckhof and Mr Shah, and they are related parties by virtue of being directors of the Company. The financial benefit to be provided to these related parties is the grant of PRs.
- (b) No consideration will be payable by Messrs Eckhof, Shah and Gasson at the time of issue of the PRs or upon vesting thereof into Shares (no loans will be made by the Company in connection with the issue of these PRs or their vesting, if any, into Shares).
- (c) The PRs will be issued, in one single allotment, to the recipients as soon as practicable after the Meeting but no later than one month after the date of the Meeting in the case of Messrs Eckhof and Shah and three months after the date of the Meeting in the case of Mr Gasson (or such later date as permitted by ASX by way of a waiver from the Listing Rules).
- (d) The PRs will have an expiry date of 31 December 2020 and, subject to satisfaction of vesting criteria (detailed elsewhere in this Explanatory Statement), conversion of PRs to Shares may occur in that period.
- (e) In addition to the vesting conditions outlined above, the other terms and conditions of the PRs are provided in Appendix 1 of the Explanatory Statement.
- (f) A voting exclusion statement in respect of Resolutions 3 to 5 is included in the Notice.

4. RESOLUTIONS 6 – 7 – Approval of Issue of Options to Mr Mark Calderwood and Mr Kevin Thomson

Shareholder approval is being sought for the granting of Options (“Directors Options”) to Non-Executive Directors, Mr Mark Calderwood and Mr Kevin Thomson (collectively the “NEDs”).

An Option is a right to subscribe for one Share at a specified issue price and prior to a specified expiry date. The Options proposed for issue under resolutions 6 and 7 will, subject to Shareholder approval, vest immediately on issue. The key terms of the Directors Options are as follows:

Proposed Holder		Tranche 1	Tranche 2	Total
	Exercise price per Option	\$0.04	\$0.05	
	Expiry date	31 December 2020	31 December 2020	
Mark Calderwood		2,500,000	2,500,000	5,000,000
Kevin Thomson		2,500,000	2,500,000	5,000,000

The Directors are cognisant of the ASX Corporate Governance Council’s Guideline that non-executive directors should not be awarded equity based incentives as part of their remuneration package. However, the proposed grant of Director Options to the non-executive Directors, Mr Calderwood and Mr Thomson is appropriate in the circumstances and it is a practice that a large number of junior listed companies adopt. The current directors remuneration of Mr Calderwood and Mr Thomson (refer below) is considered modest in comparison to peers. In recognition of the Company’s circumstances and the roles of Mr Calderwood and Mr Thomson, the non-associated Directors Mr Eckhof and Mr Shah consider an award of Options is justified. The purpose of the issue of the Directors Options is to provide Messrs Calderwood and Thomson an incentive for future services and as a reward for past services. The issue of the Directors Options is also intended to ensure that these directors remuneration package is not simply cash fees but rather includes an element that will deliver benefits to them only if shareholders as a whole benefit from an increase in the Company’s share price.

Please refer to Appendix 3 for the detailed terms and conditions of the Directors Options.

Mr Klaus Eckhof and Mr Susmit Shah have no personal interest in these Resolutions and recommend that Shareholders vote in favour of Resolutions 6 and 7 for the various reasons noted in this Explanatory Statement.

The ASX Listing Rules and the Corporations Act 2001 (in certain circumstances) require shareholder approval to be obtained for the issue of securities to directors. Accordingly, approval for the issue of the Directors Options under Resolutions 6 and 7 is sought in accordance with the provisions of Listing Rules 7.1 and 10.11 of the ASX Listing Rules and Part 2E of the Corporations Act 2001. If approval for the issue of the Directors Options is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Subject to shareholder approval, the Directors Options to be issued to Mr Mark Calderwood and Mr Kevin Thomson and referred to in Resolutions 6 to 7 will be issued free of charge and within one month after the date of this meeting.

(A) The proposed Resolutions 6 and 7, if passed, will issue securities to and confer financial benefits upon Messrs Calderwood and Thomson who are Directors of the Company and the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11. Accordingly, information required under the Listing Rules and the Corporations Act, as well as information that will properly enable Shareholders to consider Resolutions 6 and 7, is presented below.

(B) Potential Benefits – Issue of Directors Options

If the Directors Options are issued pursuant to the Resolutions 6 and 7, the Company considers the following benefits arise:

- (i) Mr Mark Calderwood and Mr Kevin Thomson will have a vested interest in the affairs of the Company, as the holder of options and as a shareholder upon exercise of the options, particularly as the Options are not transferable.
- (ii) The issue of options to Mr Mark Calderwood and Mr Kevin Thomson is a non-cash form of remuneration, thus conserving the Company's cash reserves. The issue enables the Company to provide its directors with reward for services provided and an incentive for future services they will provide to the Company.
- (iii) The exercise of the options will provide working capital for the Company at no significant cost. If all of the options proposed to be issued to Mr Mark Calderwood and Mr Kevin Thomson are ultimately exercised, an amount of A\$450,000 would be raised.

(C) Potential Costs – Issue of Options

The options are to be granted for nil consideration and thus no funds will be raised by the Company in granting those options.

The potential cost to the Company of the issue of an aggregate of 5,000,000 options to Mr Mark Calderwood and 5,000,000 options to Mr Kevin Thomson is that there will be a dilution of the issued share capital of the Company if the options are eventually exercised.

Based on the shares presently on issue of 842.6 million, the issue of 10,000,000 Directors Options represents a potential dilution of 1.17%.

The price of the Company's shares quoted on the ASX over the past 12 months is noted on page 10 of this Explanatory Statement. The \$0.04 and \$0.05 exercise prices of the two tranches of the Directors Options represents a premium of around 60% and 100% respectively to the market price of the Shares at the time of preparation of this Explanatory Statement.

Accounting standard, AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standard this amount will be expensed in the Income Statement – i.e. the value attributed to Mr Calderwood and Mr Thomson's options (See Section D below) will be expensed in the profit and loss account of the Company. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(D) Valuation of Options

The Company does not have any ASX-quoted options with identical or similar terms and conditions as the proposed options and as such there is no comparable market value. Each Directors Option grants the holder a right to be allotted one Share upon exercise of the option and payment of the exercise price of the option. Accordingly, the proposed options arguably have a value at the date of their grant. The Directors Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Directors Options during the term of the Directors Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- (i) the period outstanding before the expiry date of the options;
- (ii) the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- (iii) the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- (iv) the value of the shares into which the options may be converted; and
- (v) whether or not the options are listed (ie readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).

The Company has estimated the value of the Directors Options using the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the share price, the exercise price, the time to expiry, the risk-free interest rate and the volatility of the Company's underlying share price.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model in the present case was as follows:

- (i) an exercise price of the Directors Options of \$0.04 each for Tranche 1 and \$0.05 each for Tranche 2;
- (ii) length of period prior to conversion being approximately four years and nine months (up to 31 December 2020);
- (iii) the Company has not forecast any future dividend payments. For the purposes of the analysis, it was assumed that the Company's share price is "ex-dividend";
- (iv) the risk free rate used for the purposes of the analysis is the Reserve Bank of Australia cash rate as at 15 February 2016 being 2%;
- (v) a volatility measure of 95%; and
- (vi) the valuation of the Company's share price being \$0.025, being the closing price of the Shares on the ASX on 15 February 2016 at the time of completing this Explanatory Statement.

Using the Black-Scholes Model and the assumed data outlined above, the Directors Options are valued as follows as at 15 February 2016:

Director	Tranche 1 Directors Options (exercisable at \$0.04 each)		Tranche 2 Directors Options (exercisable at \$0.05 each)		Total Value of Options
	Number	Value (\$)	Number	Value (\$)	\$
Mr Mark Calderwood	2,500,000	40,515	2,500,000	38,244	78,759
Mr Kevin Thomson	2,500,000	40,515	2,500,000	38,244	78,759

(E) Identifying the Related Party

The related party to whom Resolution 6 would permit financial benefits to be given is Mr Mark Calderwood.

The related party to whom Resolution 7 would permit financial benefits to be given is Mr Kevin Thomson.

(F) Financial Benefit

The nature of the financial benefit is the grant of 5,000,000 Options to Mr Mark Calderwood and 5,000,000 Options to Mr Kevin Thomson for no consideration. In the event that Mr Calderwood and Mr Thomson choose to exercise the Directors Options, no loans will be provided by the Company to enable them exercise the Directors Options.

(G) Related Party's Existing Interest

Excluding the options the subject of Resolution 6 and 7, the current interests of Mr Mark Calderwood and Mr Kevin Thomson (and entities associated with them) in the Company's securities are as follows:

Director	Shares	Options (BYRO)
Mr Mark Calderwood	2,609,862	1,000,000
Mr Kevin Thomson	-	-

(H) **Director's Emoluments**

Other than the proposed Directors Options, the Directors' current remuneration is as follows:

Director	Position	Annual Remuneration
Mr Mark Calderwood	Non-executive Director	\$24,000
Mr Kevin Thomson	Non-executive Director	\$24,000

(I) **Directors' Recommendation**

Mr Calderwood and Thomson express no opinion and make no recommendation in respect of the resolutions that apply specifically to them. Otherwise, each of the other directors (Messrs Eckhof and Shah) recommend that shareholders approve Resolution 6 and 7 for the reasons set out in this Explanatory Statement, including:

- (i) Mr Calderwood and Thomson will have a vested interest in the affairs of the Company, as the holder of Options and as a Shareholder upon exercise of the Options, particularly as the Options are not transferable;
- (ii) With the difficulties being experienced in the resources sector at present, it is difficult to attract and retain Directors with the skills and experience of Messrs Calderwood and Thomson particularly with the low cash fees that the Company can offer;
- (iii) The quantum of Directors Options for which approval is sought is based on a number of factors, many of which are outlined in the paragraph above; and
- (iv) The issue of Directors Options to Mr Calderwood and Mr Thomson is a non-cash form of remuneration, thus conserving the Company's cash reserves. The issue enables the Company to provide its Directors with reward for services provided and provide an incentive with respect to future services they will provide to the Company to further progress the Company,

and on the basis that, in their opinion, the proposed issue of the Directors Options is fair and reasonable having regard to the terms of the Options.

(J) **Other Information**

No stamp duty will be payable in respect of the grant of the Directors Options. No GST will be payable by the Company in respect of the grant of the Directors Options (or if it is then it will be recoverable as an input credit). Payroll tax at normal rates may be payable in the future by the Company, subject to the exercise of the Directors Options.

Other than the information above and otherwise set out in this Explanatory Memorandum, the Directors believe that there is no other information known to the Company or its Directors that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by the proposed Resolution 6 and 7.

A voting exclusion statement is included in the Notice.

5. RESOLUTION 8 – Approval of Issue of Options to Corporate Advisor

Resolution 8 seeks Shareholder approval for the issue of 22,500,000 unlisted Options to Hartleys Limited at an issue price of \$0.00001 per Option to raise up to \$225 (Advisor Options). The Advisor Options will comprise three equal tranches of 7,500,000 with exercise prices of \$0.03 per Tranche 1 Advisor Option, \$0.04 per Tranche 2 Advisor Option, \$0.05 per Tranche 3 Advisor Option and an expiry date of 31 December 2020 for all Advisor Options.

The Company has engaged the services of Hartleys Limited as a corporate advisor to provide advice in relation to equity markets, strategic advice in terms of market positioning and corporate strategy. In consideration for its services, the Company will, subject to Shareholder approval, issue the Advisor Options to Hartleys Limited or its nominee.

The effect of Resolution 8 will be to allow the Company to issue the Advisor Options during the period of 3 months after

the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the maximum number of Advisor Options to be issued is 22,500,000, in three equal tranches of 7,500,000;
- (b) the Advisor Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Advisor Options will occur on the same date;
- (c) the issue price will be \$0.00001 per Advisor Option and the funds raised from the issue will be used for working capital;
- (d) the Advisor Options will be issued to Hartleys Limited or its nominees, none of these subscribers are related parties of the Company; and
- (e) the Advisor Options will be issued on the terms and conditions set out in Appendix 4.

A voting exclusion statement is included in the Notice.

6. RESOLUTION 9 – Approval to issue Shares

The Directors believe it desirable that the Company has the ability to issue up to a further 100,000,000 Shares in the Company to raise capital for continuing exploration at the Giro Gold project and general working capital.

Resolution 9 seeks Shareholder approval for the issue of up to 100,000,000 Shares at an issue price of not less than 80% of the volume weighted average price (VWAP) for Shares calculated over the last 5 days on which sales in the Shares are recorded immediately before the date of issue.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of Shares that may be issued is 100,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur progressively within that period;
- (c) the issue price will be no less than 80% of the VWAP for Shares calculated over the last 5 days on which sales in the Shares are recorded before the day or days on which the issue is made;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) The proposed allottees of the Shares will be investors identified by the Directors. The Company intends (but without limitation) to issue the Shares to sophisticated and professional investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act so that any offer of Shares will not require a disclosure document. Related parties of the Company will not be permitted to participate in this issue of securities; and
- (f) the Company intends to use the funds raised for continuing exploration at the Giro Gold Project and for general corporate purposes.

A voting exclusion statement is included in the Notice.

Cautionary Notes

The Directors recognise and acknowledge the importance of Shareholders making their decision on the basis of the best possible information. However, once this material for the Notice of Meeting and Explanatory Statement is prepared and despatched to Shareholders, the Company has no legal obligation to continuously update the content of this material nor is it practical and logistically possible to do that and inform each Shareholder individually.

By its nature, the exploration industry is subject to numerous risks and the Company's Share price is affected by a range of factors. From the time of preparing this material to the date of the Meeting, the Company's Share price may go up or down. The Company will continue to comply with its continuous disclosure obligations and make appropriate announcements to the ASX.

Shareholders are strongly encouraged to keep track of any announcements that the Company may make and of the Company's Share price up to the date of the Meeting as that information may have an effect on the calculations and the data that is provided in this Notice and the Explanatory Statement. If you do not understand the effect of such information, you should consult your professional advisor.

APPENDIX 1 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

- (i) Lapse: Unless the Board determines otherwise in its absolute discretion, a Performance Right will lapse on the earliest to occur of: (a) a purported transfer, assignment, mortgage, charge, disposition of or encumbrance of the Performance Right, other than with the prior written consent of the Board; (b) the holder of such Performance Right (a “**Performance Rights Holder**”) ceasing to be an employee or service provider (“**Eligible Person**”) to the Company for any reason, subject to the provisions described below; (c) a determination by the Board that a Performance Rights Holder has acted fraudulently or dishonestly or is in breach of his or her obligations to the Burey Group; (d) subject to any automatic vesting in accordance with other terms, if applicable vesting conditions have not been met in the prescribed period; or (e) the expiry date of 31 December 2020.
- (ii) Cessation of Entitlement – Death or Ill Health: Subject to any invitation’s terms and conditions, if the Performance Rights Holder ceases to be an Eligible Person due to ill health or death, then (a) if all relevant vesting conditions are met the Performance Rights may be exercised (by the personal representatives in the case of death) until they lapse in accordance with the terms of the Performance Rights; or (b) if any relevant vesting conditions have not been met, the Performance Rights will automatically lapse immediately upon the Performance Rights Holder ceasing to be an Eligible Person, unless the Board determines otherwise that all or a portion of those Performance Rights immediately vest, notwithstanding non-fulfilment of the vesting conditions.
- (iii) Cessation of Entitlement – Termination for Cause: Subject to any invitation’s terms and conditions, if the Performance Rights Holder is terminated for cause, then (a) if all relevant vesting conditions are met, the right to exercise Performance Rights is immediately suspended for a period of 10 Business Days, during which period the Board may determine to lift the suspension and allow such Performance Rights to be exercisable for a period of 20 Business Days after the holder ceases to be an Eligible Person, following which such Performance Rights will lapse (however, if the Board does not determine to lift the suspension, the Performance Rights will automatically lapse at the end of the 10 Business Day suspension); or (b) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the holder ceases to be an Eligible Person.
- (iv) Cessation of Entitlement – Termination by Consent or Cessation of Employment for Other Reasons: Subject to any invitation’s terms and conditions, if the Performance Rights Holder ceases to be an Eligible Person (a) by their own volition; (b) by reason of redundancy; or (c) for reasons other than ill health or death, termination for cause or by consent, or redundancy, then: (A) if all relevant vesting conditions are met, the Performance Rights may be exercised for a period of 20 Business Days after the holder ceases to be an Eligible Person, following which such Performance Rights will lapse; or (B) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the Performance Rights Holder ceases to be an Eligible Person, unless the Board determines otherwise that all or a portion of those Performance Rights immediately vest, notwithstanding non-fulfilment of the vesting condition.
- (v) Change of Control: The Board may in its absolute discretion determine that all or a portion of the unvested Performance Rights automatically vest and are automatically exercised on the occurrence of a change of control (as further defined below).
- (vi) Reorganisation: In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Performance Rights to which each Performance Rights Holder is entitled will be adjusted in the manner provided for in the ASX listing rules applicable at the time the reorganisation comes into effect.
- (vii) Assignability: If the Performance Right Holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber any Performance Rights, the Performance Rights immediately lapse. Performance Rights are transferable only to the extent necessary to allow exercise by personal in the event of death of the holder.
- (viii) Vesting:
- Tranche 1 Performance Rights - the Performance Rights will vest and convert into Shares in the event that the Company’s Shares trade at a daily volume weighted average price of at least \$0.03 for a consecutive period of at least 10 trading days;
 - Tranche 2 Performance Rights – the Performance Rights will vest and convert into Shares in the event that the Company’s Shares trade at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 10 trading days;
 - Tranche 3 Performance Rights – the Performance Rights will vest and convert into Shares in the event that the Company’s Shares trade at a daily volume weighted average price of at least \$0.05 for a consecutive period of at least 10 trading days;

Change of Control means:

- (a) a Takeover Bid is made to acquire all Shares, a person obtains a Voting Power in the Company of more than 50%, and the Takeover Bid is or has become unconditional;
- (b) a Court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other entity or entities);
- (c) a selective buy-back or capital reduction is announced in respect of the Company which would result in a person who previously had Voting Power of less than 50% in the Company obtaining Voting Power of more than 50%; or
- (d) a person otherwise lawfully acquires a Voting Power in the Company of more than 50%.

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APPENDIX 2 - PERFORMANCE RIGHTS VALUATION – RESOLUTIONS 3, 4 and 5

Resolution 3, 4 and 5 seeks Shareholder approval to issue 22,500,000 PRs to each of Mr Eckhof, Mr Shah and Mr Gasson.

For the purposes of the Explanatory Statement, the PRs have been valued on behalf of the Company using the barrier pricing model taking into account the historical price volatility of the Company and is based on the following assumptions:

- a) current share issue price of \$0.025;
- b) a nil conversion price;
- c) total period of approximately 4 years and 9 months (up to 31 December 2020) after the Meeting for the performance hurdles to be met. The performance hurdles being:
 - Tranche 1 Performance Rights - the Performance Rights will vest and convert into Shares in the event that the Company's Shares trade at a daily volume weighted average price of at least \$0.03 for a consecutive period of at least 10 trading days;
 - Tranche 2 Performance Rights – the Performance Rights will vest and convert into Shares in the event that the Company's Shares trade at a daily volume weighted average price of at least \$0.04 for a consecutive period of at least 10 trading days;
 - Tranche 3 Performance Rights – the Performance Rights will vest and convert into Shares in the event that the Company's Shares trade at a daily volume weighted average price of at least \$0.05 for a consecutive period of at least 10 trading days;
- d) an estimated volatility factor of 95%;
- e) a risk free rate of 2%; and
- f) a nil dividend yield.

Based on the above assumptions, it has been determined that the indicative fair value of each PR (as referred above) is \$0.0244 (Tranche 1), \$0.0239 (Tranche 2) and \$0.0233 (Tranche 3).

The total value of the PRs issued is \$1,611,000 and as attributed between the Directors is as follows (with the balance being attributed to Mr Gasson):

- (i) Klaus Eckhof: \$537,000;
- (ii) Susmit Shah: \$537,000.

Australian accounting standard, AASB 2 "Share Based Payments" requires that the issue of Performance rights shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the Income Statement – ie the value attributed to these Rights as calculated above will be expensed in the profit and loss account of the Company. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

APPENDIX 3

Terms of issue applicable to Directors Options to be issued under Resolutions 6 and 7

The Directors Options entitle the holder to subscribe for Shares on the following terms:

- 1) Each Directors Option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company upon the payment of \$0.04 in the case of Tranche 1 Directors Options and \$0.05 in the case of Tranche 2 Directors Options. The Directors Options will expire at 5pm WST on 31 December 2020 (the Expiry Date).
- 2) The Directors Options will vest immediately upon grant.
- 3) The Directors Options will lapse immediately if the Director ceases to hold office or otherwise provide services to the Company prior to the Expiry Date, subject to term 4 below where the cessation of office is in connection with a Takeover Offer or under a scheme of arrangement.
- 4) The Directors Options are not transferable except to an offeror under a Takeover Offer or under a scheme of arrangement proposed by the Company, or except with the consent of the Directors of the Company in circumstances where the proposed transfer is to an entity wholly owned and controlled by the optionholder.
- 5) All Shares issued upon exercise of the Directors Options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Directors Options.
- 6) There are no participating rights or entitlements inherent in the Directors Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Directors Options. However, the Company will send a notice to each holder of Directors Options before the record date for any proposed pro-rata issue of capital as may be required under ASX Listing Rules. This will give optionholders the opportunity to exercise their Directors Options prior to the date for determining entitlements to participate in any such issue.
- 7) There is no right to a change in the exercise price of the Directors Options or to the number of Shares over which the Directors Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Directors Options.
- 8) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

APPENDIX 4

Terms of issue applicable to Advisor Options to be issued under Resolution 8

The Advisor Options entitle the holder to subscribe for Shares on the following terms:

- 1) Each Advisor Option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company upon the payment of \$0.03 in the case of Tranche 1 Advisor Options, \$0.04 in the case of Tranche 2 Advisor Options and \$0.05 in the case of Tranche 3 Advisor Options. The Advisor Options will expire at 5pm WST on 31 December 2020 (the Expiry Date).
- 2) The Advisor Options will vest immediately upon grant.
- 3) The Advisor Options will lapse if Hartleys Limited ceases to provide services to the Company prior to the Expiry Date, subject to term 4 below where the cessation of service is in connection with a Takeover Offer or under a scheme of arrangement. Upon notice of cessation of services, Hartleys shall have a period of 30 days within which to exercise the Advisor Options before the lapse becomes effective.
- 4) The Advisor Options are not transferable except to an offeror under a Takeover Offer or under a scheme of arrangement proposed by the Company, or except with the consent of the Directors of the Company in circumstances where the proposed transfer is to an entity wholly owned and controlled by the optionholder.
- 5) All Shares issued upon exercise of the Advisor Options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Advisor Options.
- 6) There are no participating rights or entitlements inherent in the Advisor Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Advisor Options. However, the Company will send a notice to each holder of Advisor Options before the record date for any proposed pro-rata issue of capital as may be required under ASX Listing Rules. This will give optionholders the opportunity to exercise their Advisor Options prior to the date for determining entitlements to participate in any such issue.
- 7) There is no right to a change in the exercise price of the Advisor Options or to the number of Shares over which the Advisor Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Advisor Options.
- 8) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.
- 9) The Advisor Options, if exercised, must be exercised in minimum lots of 2,500,000 Advisor Options except for any remaining Advisor Options in any of the Tranches which are fewer than the minimum permissible number.

Completed Proxy can be lodged:

BY MAIL: **Level 1, Suite 5, The Business Centre,
55 Salvado Road, Subiaco,
Western Australia 6008**
Or
**P O Box 131
Subiaco, Western Australia 6904**

BY FAX: **(61 8) 9380 6761**

BY email: **proxy@bureygold.com**

**For your vote to be effective, the completed proxy form must be received by 11.00am (Perth time),
22 March 2016**

How to complete the Proxy Form**1 Appointment of a Proxy**

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

4 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the time of the General Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINTMENT OF PROXY

I/We being a member/s of **Burey Gold Limited** and entitled to attend and vote hereby appoint

	The Chairman of the Meeting (mark with an "X")	OR	
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If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding your own name) you are appointing as your proxy.

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Burey Gold Limited to be held on 24 March 2016 and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3, 4, 5, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 3, 4, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3, 4, 5, 6 and 7 by marking the appropriate box below under **VOTING DIRECTIONS (STEP 2)**.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

PLEASE MARK TO INDICATE YOUR DIRECTIONS

	For	Against	Abstain*
Resolution 1 – Ratification of Securities issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of Issue of Performance Rights to Mr Klaus Eckhof	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of Issue of Performance Rights to Mr Susmit Shah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of Issue of Performance Rights to Mr Mark Gasson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval of Issue of Options to Mr Mark Calderwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval of Issue of Options to Mr Kevin Thomson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval of Issue of Options to Corporate Advisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval to issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business

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

SIGN

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and
Sole Company Secretary
Dated: __/__/2016

Director

Director/Company Secretary