



BUREY GOLD

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## Burey Gold to acquire interest in neighbouring Tendao Project in Moto Gold Belt, DRC

### Highlights

- **Tendao Gold Project borders Burey's Giro Gold Project to the west**
- **Project area comprises five exploitation permits covering a total area of 1,456 km<sup>2</sup> which has been the subject of historical gold mining**
- **Belgians mined extensively from two areas, the Tendao Prospect and Ao Prospect**
- **Subject to due diligence and completion of commercial negotiations, an interest of 60% will be acquired by Burey, significantly increasing its tenement holding to over 2,000km<sup>2</sup>**
- **Administrative and tenure due diligence ongoing**

Burey Gold Limited (ASX: BYR) ("Burey") is pleased to report that it has entered into an agreement with a Dubai-based private company, Medidoc FZE, which, upon completion, would result in Burey acquiring a 60% interest in 5 exploitation permits ("Tendao Project") which cover 1,456km<sup>2</sup> of highly prospective ground in the Haut Uele Province, northeast Democratic Republic of Congo (Figure 1). The Tendao Project borders Burey's Giro Project to the west giving Burey a substantial ground holding in the renowned Kilo-Moto greenstone belt which hosts Randgold/AngloGold Ashanti's 16 million ounce Kibali Gold deposits. Kibali produced 642,720 ounces of gold in 2015, its first full year of operation, confirming a favourable mining environment in the region.

Commenting on the proposed acquisition of the Tendao Project, Chairman Klaus Eckhof stated: "*This highly prospective acquisition would significantly increase Burey's footprint to over 2000km<sup>2</sup>. In view of the extensive historical workings and the contiguous nature of the Tendao Project area, Burey has had the project in its sights for some time and finally an opportunity has presented itself. Burey's team is very excited with the opportunity and due diligence investigations will commence immediately.*

*Historical colonial mining at surface indicates that there is considerably more to uncover in this region and our team looks forward to work through this acquisition, to assess the potential from historical data and expand the operations and growth of Burey Gold.*"

The Tendao Project area is underlain by highly prospective volcano-sedimentary lithologies shown in Figure 1 in a similar structural and lithological setting as the Giro and Kibali gold deposits. Gold mineralization is associated with hydrothermal processes related to the intrusion of granites throughout the belt. The Belgians mined both primary and alluvial gold from two main areas, Tendao and Ao, between 1926 and 1956 during colonial rule. Today both areas are mined in parts by artisanal miners.

No systematic exploration has been carried out on the project area since 1956 at the end of colonial rule other than an airborne geophysical survey flown in 2012 which was commissioned by previous explorers, Mineral Invest International AB, who also conducted extensive alluvial mining studies on Belgian tailings and potential alluvial gold occurrences which cover approximately 38 km<sup>2</sup> in the southeastern project area.

## Tendao Prospect

The Tendao workings occur within the southeast portion of PE5056 as shown in Figures 1 and 2 where it is reported that the Belgians mined at least 60 open pits with a maximum depth of 50m over a potential strike length of 4km. Historically it was assumed that the largest portion of the project area was underlain by granites but a site visit conducted recently by an external consultant engaged by Medidoc confirmed the existence of volcanic rock types and sediments in the southern Tendao Prospect area. It was also noted that artisanal miners were mining bedrock from a number of NNE trending structures within a broader zone to the south of Tendao.

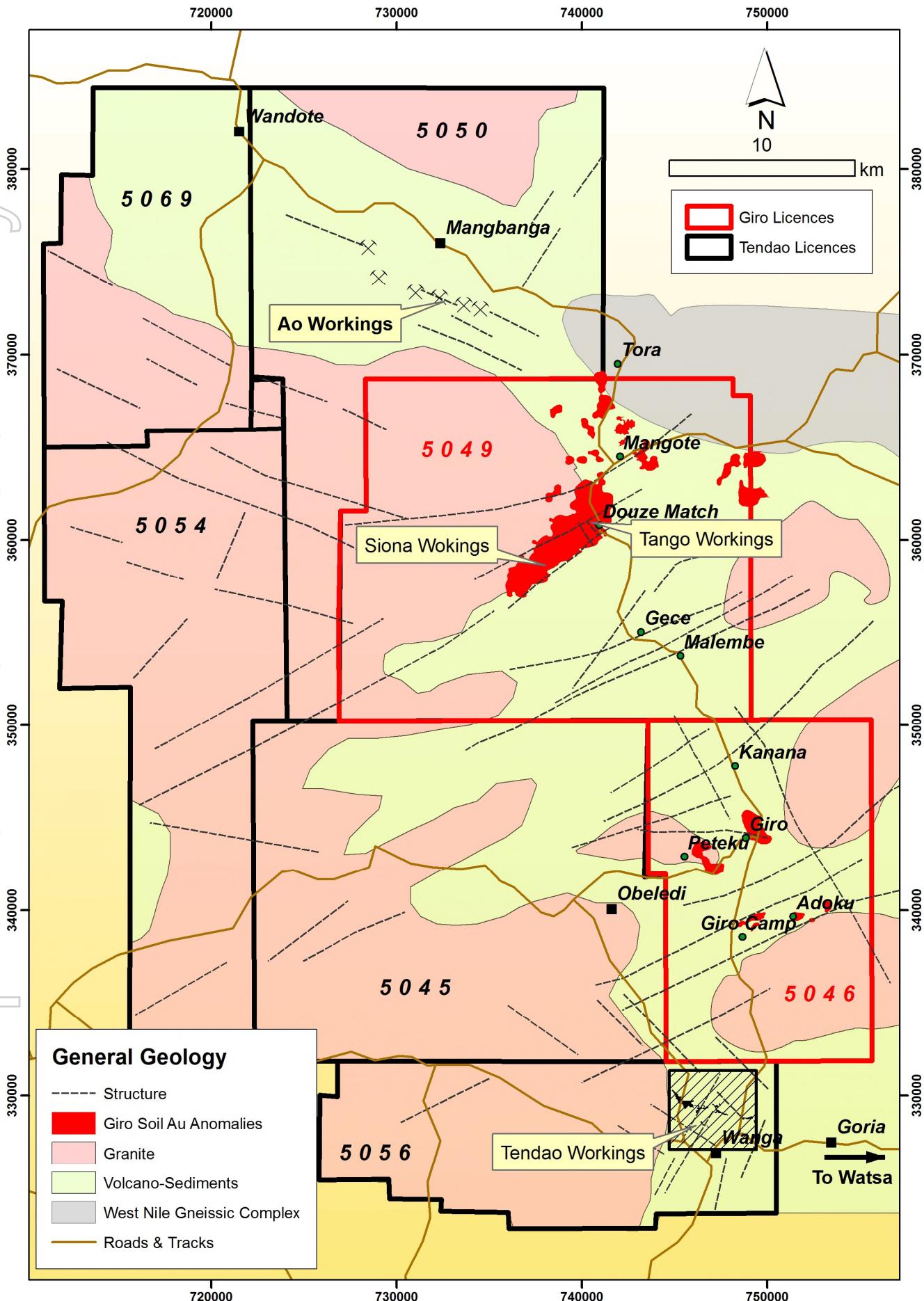
Seven grab samples of highly weathered material were collected from artisanal pits and workings at Tendao during the site visit. Mineralisation was noted to be closely associated with quartz veining, quartz stockworks and carbonate (siderite which is prevalent at Kibali). Grab channel samples from quartz veins and stockworks reported 8.65g/t Au, 2m at 0.41g/t Au, 3m at 2.42g/t Au and 1m at 0.21g/t Au. A rock chip of quartz stockwork and ferrigenous schists from workings which potentially extend for 1,400m in a northwesterly direction reported 17.6g/t Au. This northwest structure supports the model whereby mineralisation is potentially focused within a series of NW trending mineralised corridors, probably thrust related, throughout the Moto belt as seen in the prospective 30km corridor at Giro and neighboring Moku and Kibali tenements.

*Information with respect to grab channel samples was retrieved from the independent consultant's report for Medidoc with little reference to actual method used for sample collection or whether uniform, representative samples were collected across the entire exposure which was sampled. There is no assurance that reported grades and widths of mineralization will be repeated by work subsequently carried out by Burey.*

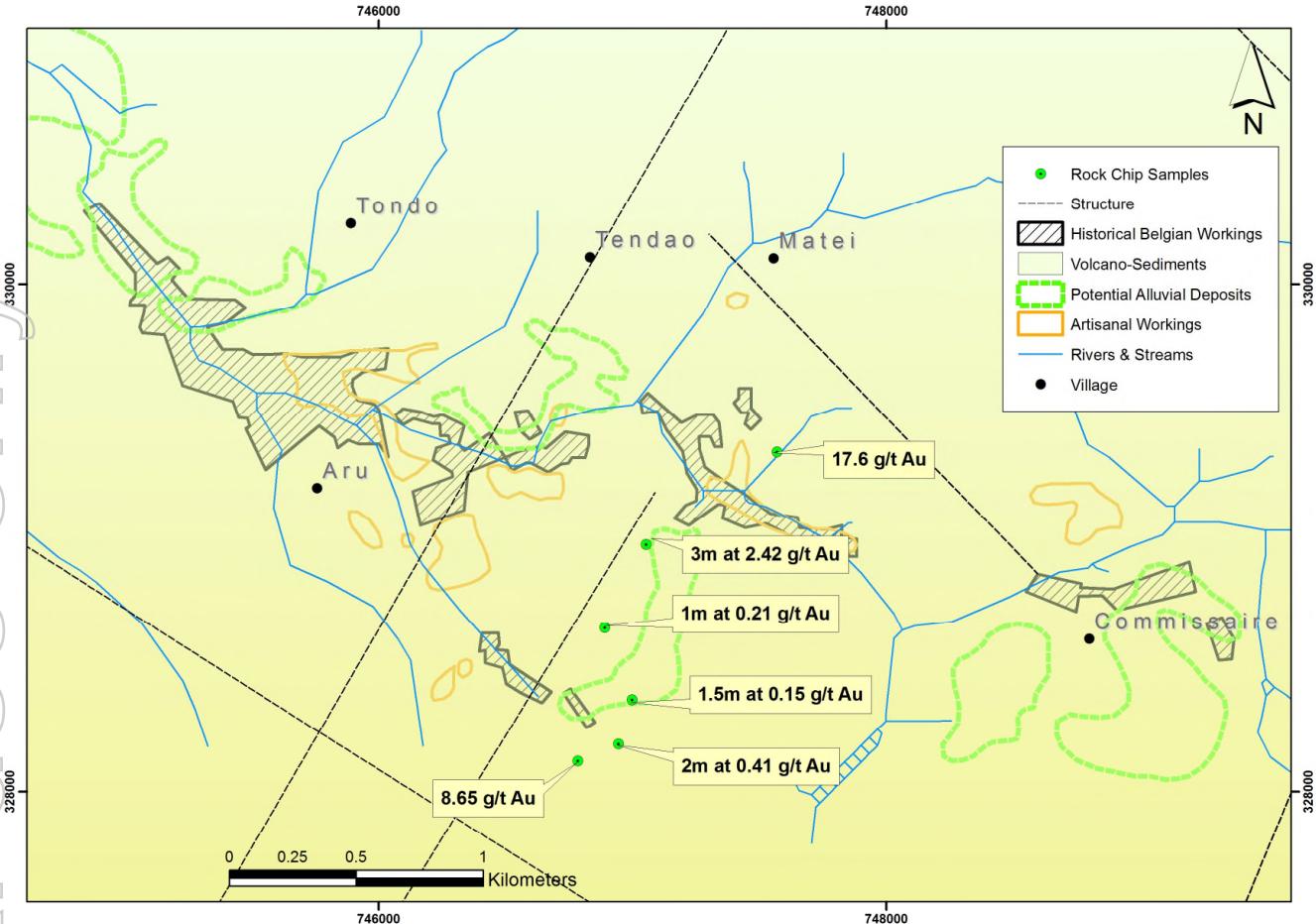
During the site visit a number of NNE trending workings were also identified within a broader zone of potentially mineralized structures to the south of the Tendao workings. These will be followed up with mapping and sampling during the due diligence period.

Little data is available on exact areas sampled and mined by the Belgians in historical reports held by the current licence holder, DRC Government owned entity, Societe Miniere De Kilo-Moto's (SOKIMO) Watsa offices. One report, however, refers to drilling activities, assumed to be diamond core drilling, within the Tendao area which took place between November 1949 and May 1951. There is no record of sampling or methods used to determine gold content. More significant results in the report are summarized in Table 1:

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**Figure 1: Tendao Project area on interpreted geology showing Burey's potential ground holding and known target areas**



**Figure 2: Tendao workings and grab sample grades and locations from a recent consultant's visit**

**Table 1: Summary of historic drill results reported by SOKIMO**

Drill Hole Number	From (m)	To (m)	Interval (m)	Assay (g/t)
2/24/11/1949	51.00	55.20	4.20	1.95
2A/06/10/1949	72.00	73.00	1.00	4.60
And	88.00	93.00	5.00	2.75
And	100.00	102.00	2.00	15.80
1A/AA/1950	124.00	128.00	4.00	3.65
III/23/02/1950	56.00	85.00	30.00	1.96
IIIA/24/05/1950	21.00	36.00	16.00	1.73
IIIB/17/06/1950	37.00	58.00	22.00	1.67
IV/06/07/1950	31.00	38.00	8.00	1.41
XIX/25/01/1951	9.40	9.80	0.40	43.30

No information was made available with respect to type of drilling which is assumed to be diamond drilling, actual drill hole locations other than reference to Tendao, procedures for sample collection, whether half core or the whole sample, sample preparation or assay methods used. There is no assurance that these drilling results will be repeated in any future drilling programmes conducted by Burey.

The Tendao Prospect has potential to host a significant number of mineralised structures with an apparent variation of structural orientations from NW through to NNE. Initial field work supports the potential for broad zones of mineralization similar to those currently being drilled at Kebigada on the Giro Project. Systematic field mapping and sampling during the due diligence period will better define these mineralised zones for follow up with future drilling.

## Ao Prospect

Little is known about the Ao areas mined by the Belgians within the northern licence, PE5050, where artisanal mining activities are currently ongoing. A number of pits were mined along a WNW trending structure over several kilometres. The area will be visited and mapped during the due diligence period to better understand the mineralised potential of the area.

## Regional Targets

In addition to known mineralisation at Tendao and Ao, it is highly likely that new areas with good potential for discovery will be identified in soil sampling programmes, especially along the eastern areas where the Tendao project borders on the Giro licences. The areas west of Giro and Douze Match are particularly interesting as there is good potential for the NE structures which influence mineralisation at both prospects to likely continue onto the Tendao Project.

## Acquisition Terms

Medidoc FZE, an unrelated private entity, has an agreement with SOKIMO under which it has been granted an exclusive right to carry out due diligence and negotiate commercial terms acceptable to both parties pursuant to which Medidoc (or its nominee) can acquire a 60% interest in the Tendao Project. SOKIMO would retain a 30% project interest and a local Congolese consortium would hold the remaining 10% project interest. The Medidoc agreement with SOKIMO has a term of three months expiring 6 December 2016, which can be extended by mutual agreement.

Burey and Medidoc have entered into an agreement under which Medidoc has assigned its exclusivity rights referred to in the preceding paragraph to Burey for the following consideration:

- a cash fee of US\$250,000 payable within five (5) business days after execution of this agreement; and
- the issue of 40 million fully paid ordinary shares in the share capital of Burey on the following staged basis:
  - i. 20 million shares within 5 business days after execution of an agreement between Burey, SOKIMO and such other parties as are considered necessary, on terms and conditions acceptable solely in Burey's discretion, for the incorporation of a new entity ("Newco" – in which Burey has a 60% interest) for the purposes of exploring and developing the Tendao Project; and
  - ii. 20 million shares no later than 5 business days after the three-month anniversary of the issue of shares in (i) above on the condition (determined solely in Burey's discretion) that Burey wishes to remain involved in the Tendao Project, as a shareholder in Newco and as a joint venture partner with SOKIMO.

If Burey elects not to issue the second tranche of 20 million shares, it will retain no residual rights in the Tendao Project.

Burey will commence technical and legal due diligence immediately in respect of the Tendao Project and it will concurrently engage in commercial negotiations with SOKIMO as to the terms and conditions upon which Burey will hold its 60% interest in the Tendao Project. Burey cautions that there is no certainty it will be successful in negotiating mutually acceptable terms with SOKIMO. However, based on preliminary discussions with SOKIMO, Burey understands that SOKIMO is keen to see modern exploration commence at Tendao and it believes that Burey will be a good partner based on its work at the Giro Gold Project.

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### **Competent Person's Statement – Exploration Results**

*The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Klaus Eckhof, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Eckhof is a director of Burey Gold Limited. Mr Eckhof has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves”. Mr Eckhof consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*