

BUREY GOLD LIMITED

ABN 14 113 517 203



BUREY GOLD

FINANCIAL REPORT
2012

Burey Gold Limited
Corporate Directory

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Company Secretary	Susmit Shah	
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Securities trade on the Australian Securities Exchange – BYR

Burey Gold Limited
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REVIEW OF OPERATIONS



Figure 1.

Mansounia Gold Project (MGD) (Burey earning up to 85%)

Mansounia is a large-tonnage, low-grade gold target with a near-surface resource located in Guinea, West Africa. The MGD is located within the Mansounia Licence adjacent to the sub prefecture centre of Kiniero in Upper Guinea, some 50km west of the city of Kankan (Figure 1).

The results of the reverse circulation (RC) drilling program completed in the early part of the financial year were released in November 2011. 60 holes for 5,884m were placed in various locations in order to test the extension and infill along ten (100m to 400m spaced) drill sections, south of the previously defined Mansounia Gold Deposit (MGD). The best intersections included: 18m @ 3.00g/t Au from 32, 13m @ 3.40g/t Au from 71m and 13m @ 1.82g/t Au from 33m.

Independent mining consultant Runge Limited used the latest drill results to extend the maiden (2009) resource model of the MGD. In June 2012 a significant upgrade to Indicated and Inferred Mineral Resources of 52 million tonnes at 0.8g/t gold for 1,294,000 ounces of gold, using a 0.4g/t gold cut-off was announced (Table 1). This was an increase of approximately 56% in ounces on the 2009 (maiden) resource estimate of 36.5 million tonnes at 0.7g/t for 829,700 ounces.

The primary gold mineralisation at the MGD occurs in relatively thin (less than 5m width), steep primary “sheeted” lodes that trend north-north-east. Where weathered, the primary gold mineralisation is commonly seen to have been remobilised and dispersed by ground water into thick sheets of secondary (eluvial) mineralisation, interpreted to be up to 75m thick in the north but thinner in the south.

The RC and DD (diamond core) drilling extends to a maximum depth of 220m below surface for part where the mineralisation is modelled to a maximum depth of approximately 270m.

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The substantial increase in mineral resources provided further encouragement for a development proposal for the MGD. An independent review is being undertaken to assess development options.

Material Type	Indicated		Inferred		Total		
	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Ounces
Haematitic Laterite	3.3	0.6	3.3	0.5	6.6	0.6	123,000
Limonitic Laterite	2.8	0.7	2.7	0.5	5.4	0.6	108,000
Oxide	-	-	20.0	0.8	20.0	0.8	488,000
Transitional	-	-	10.1	0.8	10.1	0.8	260,000
Fresh	-	-	9.9	1.0	9.9	1.0	315,000
Total	6.1	0.7	45.9	0.8	52.0	0.8	1,294,000

Table 1: Total Mansounia Gold Deposit tonnes and grade at various Au g/t cut-offs (north and south of 1,147,550mN)

Kossanke and Celein Licences (*Burey earning 68%, Government 15%, Vendor 17%*)

Kossanke

The Kossanke project area is located in the northern sector of Guinea's Mandiana District and within the richly gold endowed sector of the Lower Proterozoic (Birimian) Siguri Basin. The Mandiana district has undergone wide spread artisanal mining activity since ancient times. Locally the Koulékoun prospect occurs within London-listed Avocet Mining's (AVM: LSE) Tri-K project, hosting a gold resource of more than 2 million ounces.

Burey completed a systematic first pass soil sampling program at the Kossanke Project which involved the collection of soil samples from sites spaced at 50m intervals (composited at 100m) along east-west oriented 1km spaced grid lines.

The gold anomalies identified by the program were interpreted to map gold accumulation sites in the north - south striking bedrock.

Burey's soil sampling results which were announced in July 2012 confirmed the presence of elevated gold tenor across a multiple of relatively narrow northeast trending belts, in width generally ranging from <100-300m across and in part appearing to be up to a kilometre across. Furthermore, these results suggest the strike of these belts of elevated gold tenor may range for some tens of kilometres in length.

Infill soil sampling in the northern permit area of the licence was conducted using 330m spaced grid lines subsequent to the year end, with results expected late in October 2012.

Also subsequent to year end, Burey commenced a first pass orientation RC (reverse circulation) drill program placing some 16 holes for 1,777m, along two fences across a soil anomaly in the southern part of the Kossanke permit. This work was followed by two orientation DD (diamond drill) holes totalling 184m. This particular anomaly is up to 6km in length and was covered in part by trenches and wide spaced drill fences carried out by former explorer, Wells Gold in the mid 1990's. Burey expects to receive the RC results of this drill program in October 2012.

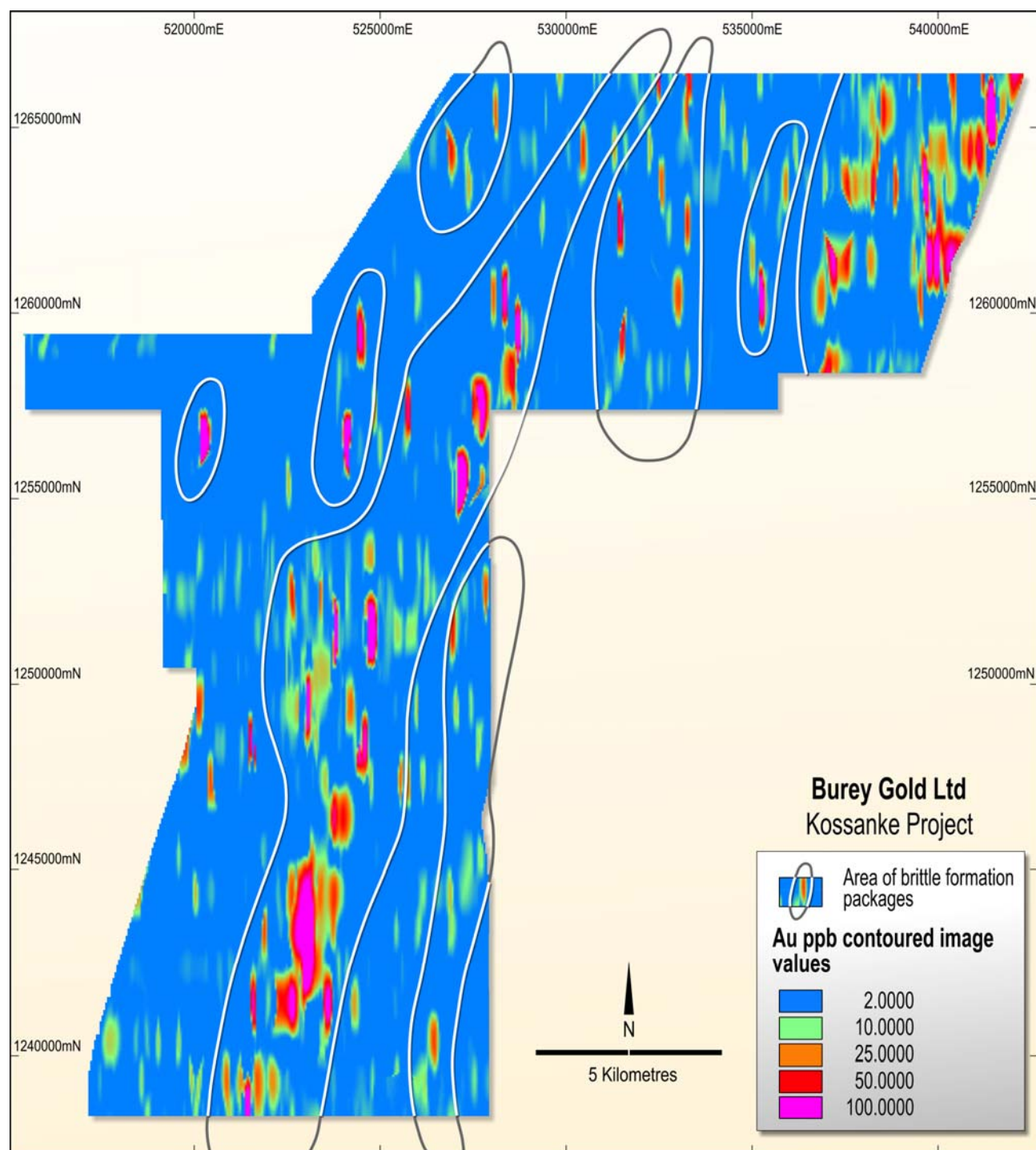


Figure 2 – Current drilling targets the significant gold in soil anomaly in the south-west of the permit area.

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Celein

A project of similar favourably endowed attributes to those of Kossanke, the 230km² Celein Project lies immediately east of Avocet Mining's Tri-K block. Celein is being worked in conjunction with Kossanke, sharing logistics, support infrastructure and work programs and scheduling.

As with Kossanke, a first-pass cycle of a soil sampling program was completed at Celein in August, 2011. Samples were collected at 50m intervals (composited at 100m) on E-W oriented 1.0km spaced grid lines. The first-soil sampling enabled an interpretive plan of gold endowment to be prepared for the Celein licence.

An infill soil sampling program was also been completed at Celein closing up the soil sample line-spacing to 330m. Results are expected late October 2012.

Balatindi Project (polymetallic, uranium, gold) (Burey 75%, Government 15%, Vendor 10%)

The Balatindi Project located in the central east of Guinea, is considered to be highly prospective for polymetallic mineralisation with an IOCGU (iron oxide, copper gold, uranium) affinity. The structure and setting of the project carries a chemical signature which bears similarity to the polymetallic mineralisation at Boddington, Western Australia.

During the year, the BLEG (bulk leach extractable gold) gold assay results were received from the final four holes of the 10-hole, 3,470m diamond drilling (DD) program, as well as the multi-element analysis from a further five holes. These results were announced in October 2011, with the best intercepts including:

- 24m at 0.64g/t Au from surface, 23.6m at 0.72g/t Au from 30m, 32m at 0.82g/t Au from 79m, 33m at 0.61g/t Au from 159m and 48.8m at 0.68g/t Au from 266.2m from BLDD007
- 9m @ 0.73g/t Au from surface, 38.3m at 0.61g/t Au from 16m, 27.3m at 0.71g/t Au from 56.7m and 22m @ 0.51g/t from 148m from BLDD008
- 73.5m at 0.75g/t Au from 28m, 49m at 0.6g/t Au from 195m and 50.0m at 0.64g/t Au from 409m from BLDD010

Multi-element drill results included:

- 47.2m @ 1.78g/t Ag from 3.8m and 59.8m @ 1.42g/t Ag from 58m from BLDD004
- 59.2m @ 0.19% Cu from 3.8m and 19.5m @ 0.14% Cu from 65m from BLDD004
- 73.9m @ 2.99g/t Ag from surface and 26.75m @ 1.54g/t Ag from 76.9m from BLDD005
- 73.9m @ 0.2% Cu from surface from BLDD005
- 12m @ 2g/t Ag from surface and 49m @ 0.8g/t Ag from 204m from BLDD006

Five potential prospects of primary uranium and thorium/ rare earth element (REE) association were tested on the Balatindi licence using a wide spaced first pass (2km x 50m) and a selected infill follow-up (1km x 50m) ground-borne scintillometer surveys.

These five prospective areas (Areas A, B, C, D and E) were subsequently mapped in detail using a 25m x 25m ground-borne scintillometer survey grid and thereafter tested using a limited drilling program of selectively located drill fences of inclined RC (22 holes for 1,848m) and DD (seven holes for 746m) drill holes with recovered samples analysed using ICP for 60 elements.

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Intercepts included from Anomaly E:

- 14m @ 58ppm U from surface, 28m @ 116ppm U from 41m including 10m @ 160ppm U, 3m @ 200ppm U from 55m, and 7m @ 138ppm U from 72m (BLRC001)
- 82m @ 92.5ppm U including 40m @ 132.5ppm U from 2m including 6m @ 256ppm U from 7m (BLRC005)
- 8m @ 254ppm U from 5m, 35m @ 222ppm U from 16m, including 2m @ 465 ppm U from 18m and 3m @ 720ppm U from 34m (BLRC006)
- Significantly Holes, BLRC 002 and 006, BLDD 014, 015 and 016 each intercepted portion of the same(?) horizon containing an interval of 1m >1 kg/t U isotope 238 coincident with elevated (3,000 - 5,000 ppm) Cu.

Based on the drilling program three mineral associations have been revealed: - (i) thorium/REE/molybdenum; (ii) arsenopyrit sulphide; and (iii) copper/uranium.

The assay results of Anomaly E suggested that it probably is a more peripheral portion to the Balatindi Central Polymetallic Prospect (CPP), of which the peripheral zones are more elevated in copper, uranium and silver whereas the central zone (CPP) is considered to be the outcropping core of a deeper, closer to source, less oxidised portion of the same mineralised system (being relatively uranium depleted, with weak copper, gold and silver waning).

The work completed supports the assumption that Anomaly E may be sourced from leakage off or from the CPP, and as such enhances the potential for further exploration success.

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

Gold assays were completed for all outer prospect drill samples as a matter of course and returned uniformly low grades as anticipated. Geological potential remains to locate additional gold mineralisation proximally to CCP.

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

Balatindi also carries the potential credit of additional metals variously anomalous in silver, barium, bismuth, copper, molybdenum and antimony, and to a lesser extent thorium, uranium, tungsten and rare earth elements.



Figure 3: Diamond drill core recovered from Balatindi.

			URANIUM				COPPER			
Hole No.	E	N	From	To	Width	U Grade	From	To	Width	Cu
			m dh	m dh	m dh	in ppm	m dh	m dh	m dh	%
BLRC-001	497276	1084918	0	12514	14	58	0	13	13	0.038
			41	69	28	116	41	62	21	0.066
Including			43	53	10	160				
And also			55	58	3	200				
			72	79	7	138				
BLRC-002	497242	1084949	0	44	44	163	0	22	22	0.084
Including			6	10	4	210	37	44	7	0.056
And also			18	21	3	780				
			62	84	22	42				
BLRC-003	497209	1084981	0	12	12	59	0	14	14	0.057
			38	43	5	47				
BLRC-004	496850	1084845	0	45	45	54	0	21	21	0.026
Including			0	20	20	82	75	84	9	0.156
			72	84	12	65				
BLRC-005	496814	1084882	0	82	82	93	2	31	29	0.103
Including			7	13	6	256	Incl.(11	22)	11	0.151
							63	74	11	0.078
BLRC-006	496783	1084913	5	13	8	254	0	38	38	0.099
			16	51	35	222	Incl.(18	37)	19	0.150
Including			18	20	2	465	46	54	8	0.045
And also			34	37	3	720	78	84	12	0.030
			51	90	39	52				
BLRC-007	496750	1084947	0	27	27	197	11	23	12	0.180
Including			15	18	3	603	41	46	5	0.092
			35	53	18	70	48	54	6	0.065
			77	84	7	120	76	83	7	0.100
BLRC-008	496715	1084979	1	30	30	82	1	8	7	0.046
Including			21	30	9	123	11	16	5	0.049
			39	46	7	61	22	29	7	0.190
							39	45	6	0.045

Table 2. Balatindi Uranium/Copper Intercepts

Primary interval grade and width /interval of higher grade included in primary interval

All holes were drilled at an azimuth of 315° and at a declination of -50°

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Dion-Koulai Licence (polymetallic, uranium, gold)

Burey 68%; Government 15%; Vendor 17%

Dion-Koulai covers a north-south rectangular area of nearly 300km² west and southwest of Karala and some 125km to 165km southeast of the regional centre of Kankan.

Government geological records show two uranium occurrences (Kabadougou and Sissi) located within the licence area which is considered by Burey to be potentially prospective for gold, uranium, and associated base metals.

Burey's field program through the year included establishing logistical access, public roadway repairs, geological mapping, ground radiometrics and soil sampling which located several zones of significant radiometric anomalism, up to eight times background of some 600m width and 6km in strike. The radiometric anomalism appears expressed along a reverse fault. Gold levels do not appear elevated but low levels may trace leakage along transfer fault lines.

Infill gamma-radiation gridding completed during the year identified an anomalism expressed as a gamma response of more than five times background.

Substantial road access work and site preparation for a drill program was completed, with plans for a first-pass program of RC drilling aimed to traverse the four best expressed radiometric peaks. Burey has negotiated a drill contract to secure a rig to commence first pass drilling on this project at the close of the wet season (Nov 2012).

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

Burey Gold Limited
Directors' Report
For the year ended 30 June 2012

Your Directors present their report together with the financial statements of Burey Gold Limited and the entities it controlled at the end of, or during, the year ended 30 June 2012 (“the consolidated entity” or “Group”) and the auditor’s report thereon.

DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Ron Norbert Gajewski
BBus., CPA
Non-Executive Chairman
(Director since 23 March 2005)

Ron Gajewski is an accountant by profession, with many years of experience as a director of public listed companies and as a corporate advisor to public companies. He has held directorships with mining companies listed in both Canada and Australia. During the past three years he has also served as a director of the following listed companies:

Carnavale Resources Ltd (appointed 18 October 2006)
Erongo Energy Ltd (appointed 9 July 2007)

Klaus Peter Eckhof
Dip. Geol. TU, AusIMM
Managing Director / Chief
Executive Officer
(Appointed 6 February 2012)

Klaus Eckhof is a geologist who has global contacts and has been instrumental in sourcing and developing successful projects in Australia, Africa, Russia, South America and the Philippines. He was formerly President and Chief Executive Officer of Moto Goldmines Limited (“MGL”). Within four years of Mr Eckhof’s appointment, MGL discovered just under 20 million ounces of gold and completed a bankable feasibility study at the Moto Gold Project in the Democratic Republic of Congo. MGL was subsequently acquired by Rangold Resources Limited. During the past three years he has also served as a director of the following listed companies:

Carnavale Resources Ltd (appointed 1 January 2008)
Erongo Energy Limited (appointed 24 August 2011)
Panex Resources Inc. (appointed 30 May 2006)
Condor Resources plc (September 1996 – April 2011)
African Metals Corporation (November 1995 – January 2011)
Aspire Mining Limited (17 April 2008 – 30 September 2009)
Kilo Goldmines Limited (13 April 2009 – 31 December 2011)

Bruce Stainforth
BSc., F.AUSIMM
Executive Director - Exploration
(Director since 6 July 2006)

Bruce Stainforth has more than 38 years’ experience in the exploration and mining sectors in Australia, the Asia-Pacific and West Africa. During this time, Mr Stainforth has worked in a variety of technical and managerial roles, including as Exploration Manager and chief geologist (mine and exploration). He has more than 17 years’ experience in West Africa and worked previously in Guinea for Gold Fields. Mr Stainforth has not served as a director of any other listed entity in the past three years.

Susmit Mohanlal Shah
BSc Econ, CA
Non-Executive Director /
Company Secretary
(Director since 16 June 2005)

Susmit Shah is a Chartered Accountant with more than 25 years’ experience. Over the past 15 years, Mr Shah has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. His experience includes negotiation and conduct of mining joint ventures, public flotations and mergers and acquisitions. Mr Shah has not served as a director of any other listed entity in the past three years.

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Kevin Peter Thomson
BSc, P Geo
Non-Executive Director
(Director since 23 February 2011)

Kevin Thomson is a geologist with 25 years' experience of which 11 years have been in West Africa gaining exposure to a number of countries in the sub-region, including Guinea. Mr Thomson is currently the Exploration Manager for Burey's largest shareholder, Perseus Mining Limited. He currently manages a workforce of more than 200 exploration staff, having been instrumental in Perseus Mining Limited's exploration success on its gold projects in Ghana and Côte d'Ivoire. Mr Thomson has not served as a director of any other listed entity in the past three years.

Nigel Munro Ferguson
BSc AusIMM
Part-time Executive Director
(Resigned 31 March 2012)

Nigel Ferguson is a geologist with more than 25 years' experience in the exploration and definition of precious and base metal mineral resources. He has worked in a number of diverse locations, including Saudi Arabia, South East Asia, Central and South America and Africa. During the past three years he has also served as a director of the following listed companies:

African Metals Corp (TSXV) (appointed 29 October 2007)
RMA Energy (appointed 3 March 2011)
Ethan Minerals Ltd (25 October 2007 to 30 July 2010)

CORPORATE INFORMATION

Corporate Structure

Burey Gold Ltd is a limited liability company that is incorporated and domiciled in Australia. During the financial year, it had three wholly owned subsidiaries:

- Burey Gold Guinee sarl
- Burey Gold (Ghana) Limited
- Burey Resources Pty Ltd

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the year was acquiring and exploring mineral interests, prospective for precious metals and energy.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2012 was \$596,829 (30 June 2011: \$994,650). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 0.17 cents (30 June 2011: 0.4 cents)

REVIEW OF OPERATIONS

A review of operations, including information on operations, financial position, strategies and projects of the consolidated entity during the year ended 30 June 2012 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the consolidated entity occurred during the financial period.

EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year and to the date of this report no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's objective is to maximise shareholder value through the discovery and delineation of significant mineral deposits in West Africa having initially focussed on the Mansounia Project in Guinea. The Directors will also continue to assess additional opportunities within the mineral and energy sectors in West Africa and Australia.

The Directors are unable to comment on the likely results from the Company's planned exploration activities due to the speculative nature of such activities.

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors and the number of meetings attended by each Director during the year ended 30 June 2012 are:

	Directors' meetings held during period of office	Directors' meetings attended
R N Gajewski	3	3
K P Eckhof (appointed 06/02/2012)	1	1
B Stainforth	3	3
N M Ferguson (resigned 31/03/2012)	2	2
S M Shah	3	3
K P Thomson	3	3

There were three directors' meetings held during the year. However, matters of Board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

At present, the Company does not have any formally constituted committees of the Board. The Directors consider that the Group is not of a size nor are its affairs of such complexity as to justify the formation of special committees.

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Directors' Report
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DIRECTORS' INTERESTS

The interests of each Director in the shares and options of Burey Gold Ltd at the date of this report are as follows:

	Fully Paid Ordinary Shares	Options Over Ordinary Shares
R N Gajewski	13,400,001	500,000
K P Eckhof (appointed 06/02/2012)	-	12,000,000
B Stainforth	1,000,000	5,000,000
S M Shah	2,100,000	500,000
K P Thomson	-	-

SHARE OPTIONS

As at the date of this report, there were 60,230,000 options on issue.

	Number	Exercise Price	Expiry Date
Unlisted Options	34,800,000	8 cents	31 December 2012
Director Unlisted Options	6,500,000	5 cents	31 December 2012
Employee Unlisted Options	710,000	5 cents	31 December 2012
Unlisted Options	2,500,000	15 cents	31 March 2013
Unlisted Options	2,500,000	20 cents	31 March 2014
Director Unlisted Options	750,000	20 cents	31 March 2013
Employee Unlisted Options	470,000	35 cents	16 October 2013
Director Unlisted Options	6,000,000	8 cents	6 February 2015
Director Unlisted Options	6,000,000	12 cents	6 February 2015

During or since the end of the financial year no options were exercised.

Options issued during the year are as follows:

- 12,000,000 options were issued to a director as a term of employment. 6,000,000 options are exercisable between 6 February 2013 and 6 February 2015 at a price of \$0.08 each and 6,000,000 are exercisable between 6 February 2014 and 6 February 2015 at a price of \$0.12 each.

REMUNERATION REPORT (audited)

This report outlays the remuneration arrangements in place for the Directors of Burey Gold Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The consolidated entity does not have any executive officers, other than executives who are also directors, as defined under Section 300A of the *Corporations Act 2001*.

Remuneration philosophy

The Board reviews the remuneration packages applicable to the executive Director and non-executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

REMUNERATION REPORT (audited) (continued)

Remuneration is not linked to past company performance but rather towards generating future shareholder wealth through share price performance. As a minerals explorer, the Company does not generate operating revenues or earnings and company performance, at this stage, can only be judged by exploration success and ultimately shareholder value. Market capitalisation is one measure of shareholder value but this is subject to many external factors over which the Company has no control. Consequently linking remuneration to past performance is difficult to implement and not in the best interests of the Company. Presently, total fixed remuneration for senior executives is determined by reference to market conditions and incentives for out performance are provided by way of options over unissued shares. The Directors believe that this best aligns the interests of the shareholders with those of the senior executives.

Remuneration committee

The Company does not have a formally constituted remuneration committee of the Board. The Directors consider that the Group is not of a size nor are its affairs of such complexity as to justify the formation of a Remuneration committee.

The Board assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodical basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Directors and executive Director remuneration is separate and distinct.

Non-executive Directors remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The present limit of approved aggregate remuneration is \$200,000 per year.

The Board reviews the remuneration packages applicable to the non-executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

It has been agreed that non-executive Directors, excluding the non-executive Chairman shall receive a fee in the range of \$20,000 to \$25,000 each per annum from 1 July 2006. The non-executive Chairman shall receive a fee of \$36,000 per annum. Non-executive Directors may also be remunerated for additional specialised services performed at the request of the Board. The remuneration of the non-executive Directors for the year ending 30 June 2012 is detailed in Table 1 of this report.

REMUNERATION REPORT (audited) (continued)

Executive Directors remuneration

Objective

The Company aims to reward the Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of the Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practice.

The fixed component of the Executive Director remuneration for the year ending 30 June 2012 is detailed in Table 1 of this report.

Variable remuneration – Long Term Incentive ('LTI')

Objective

The objective of the LTI plan is to reward executives and senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance.

Structure

LTI grants to executives are delivered in the form of options. The issue of options as part of the remuneration packages of executive and non-executive directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding each of the directors.

Remuneration is not linked to past group performance but rather towards generating future shareholder wealth through share price performance. Burey Gold Ltd listed on 14 December 2006 at 20c per share and the share price at 30 June 2012 was 3.3c (2011: 6c). The shares recorded high and low points of 14c and 3c during the year, and closed trading at 4c on 24 September 2012. The Company has recorded a loss each financial year to date as it carries out exploration activities on its tenements. No dividends have been paid.

Burey Gold Limited
Directors' Report
For the year ended 30 June 2012

REMUNERATION REPORT (audited) (continued)

Executive Directors remuneration (continued)

Service agreements

Mr Eckhof entered into an employment agreement with Burey Gold Ltd on 2 February 2012. Mr Eckhof is employed as the Managing Director and Chief Executive Officer. His annual salary is AUD250,000 per annum. Mr Eckhof's employment shall continue until either party gives 6 months notice of termination. 12,000,000 options were issued to Mr Eckhof as a condition of his employment. 6,000,000 options vest on 6 February 2013 and are exercisable at 8 cents each and the remaining 6,000,000 options vest on 6 February 2014 and are exercisable at 12 cents each.

Mr Stainforth was employed as the Managing Director of the Company from July 2006 to February 2012. From February 2012 he was appointed Executive Director, Exploration. From 1 January 2012 Mr Stainforth's annual remuneration increased to A\$275,000. Mr Stainforth spends a majority of his time in West Africa and other components of his remuneration package include reasonable accommodation costs outside Australia, the equivalent of two business- class return fares per annum to Australia, and medical evacuation and insurance cover. Mr Stainforth's employment shall continue until either party gives 6 months notice of termination.

Table 1: Director Remuneration for the year ended 30 June 2012

Director		Cash	Short term	Non-	Post	Equity	Total
		Salary/Fees	Additional	Cash	Employment	Value of	
		\$	Fees	Benefits	Superannuation	Options	\$
R N Gajewski	2012	36,000	3,000	-	-	-	39,000
	2011	36,000	7,000	-	-	-	43,000
K P Eckhof	2012	104,167	-	-	-	177,167	281,334
(Since 06/02/12)	2011	-	-	-	-	-	-
B Stainforth	2012	230,753	-	30,091	-	-	260,844
	2011	202,143	-	17,182	-	-	219,325
S M Shah	2012	20,000	-	-	1,800	-	21,800
	2011	20,000	-	-	1,800	-	21,800
K P Thomson	2012	24,000	-	-	-	-	24,000
	2011	-	-	-	-	-	-
N M Ferguson	2012	55,000	-	-	-	58,551	113,551
(Resigned 31/03/12)	2011	60,000	7,500	-	-	95,199	162,699
Total	2012	469,920	3,000	30,091	1,800	235,718	740,529
	2011	318,143	14,500	17,182	1,800	95,199	446,824

The total value of options issued to Mr Eckhof during the year is \$588,000. \$177,167 was recognised in the statement of comprehensive income for the year ended 30 June 2012, with the balance to be recognised in future years.

There were no key management personnel during the year other than the Directors.

Payments in relation to Mr Gajewski's and Mr Ferguson's services were made to Vienna Holdings Pty Ltd and Ridgeback Holdings Pty Ltd respectively, being companies controlled by these directors. No long-term or termination benefits arose in either year. Consulting fees over and above their directors' fees were paid to Directors for additional services provided to the Company.

Burey Gold Limited
Directors' Report
For the year ended 30 June 2012

Options granted to directors' and officers and analysis of share-based payments granted as remuneration

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to a Director of the Company as part of his remuneration:

Table 2: Options granted as part of remuneration during the financial year (in accordance with the LTI plan)

Director	Grant Date	Vesting Dates	Grant Number	Expiry Date	Value per option at grant date (A) (cents)	Remuneration represented by options for the year	% Vested
K Eckhof (i)	06/02/2012	06/02/2013 06/02/2014	12,000,000	6/02/2015	0.051 / 0.047	63%	nil

- (A) The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. The options were valued at 0.051 cents (options exercisable at 8 cents) and 0.047 cents (options exercisable at 12 cents) being the value of the options at the date of grant using a Black-Scholes model.

Other factors and assumptions taken into account in determining the fair value of the options allocated to this reporting period include, price of shares on grant date 7 cents, volatility 128% and risk free interest 3.34%. None of these options have been exercised into shares during the year. No other elements of remuneration were at risk.

- (i) 6,000,000 options are exercisable between 6/02/2013 and 06/02/2015 and 6,000,000 options are exercisable between 06/02/2014 and 06/02/2015. No directors' options were exercised during the year ended 30 June 2012 or up to the date of this financial report.

For details on the valuation of options, including models and assumptions used, refer to Note 14.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify directors and officers of any entity within the consolidated entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the consolidated entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to \$10,900 relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome;
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

ENVIRONMENTAL REGULATIONS

The consolidated entity's exploration activities in Guinea and Australia during the year were subject to environmental laws, regulations and permit conditions in these jurisdictions. There have been no known breaches of environmental laws or permit conditions while conducting operations in Guinea and Australia during the year.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2011 to 30 June 2012 the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

NON-AUDIT SERVICES

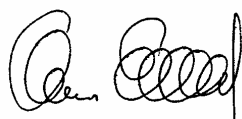
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or consolidated entity is important. During the year ended 30 June 2012 the external auditors did not provide any non-audit services. Refer to Note 4 in the financial statements for further details.

AUDITORS' INDEPENDENCE DECLARATION

The auditor, BDO Audit (WA) Pty Ltd, has provided the Board of Directors with an independence declaration in accordance with section 307C of the *Corporations Act 2001*.

The independence declaration is located on the next page.

Signed in accordance with a resolution of Directors.



K P Eckhof
Managing Director
Perth, 25 September 2012

25 September 2012

The Directors
Burey Gold Limited
Level 1, Suite 5 Salvado Rd
SUBIACO WA 6008

Dear Sirs,

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

As lead auditor of Burey Gold Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

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, Western Australia

Burey Gold Limited
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2012

	Notes	2012 \$	2011 \$
Revenue from continuing operations	2	<u>431,751</u>	220,160
Consultants and corporate costs		(350,826)	(336,481)
Employee benefits expense		(243,967)	(132,300)
Share based payments expense	3, 14	(367,313)	(443,150)
Depreciation expense	3	(1,987)	(4,845)
Impairment of exploration expenditure	3	(7,672)	(17,663)
Occupancy expenses		(45,047)	(52,837)
Travel expenses	3	(56,618)	(37,890)
Foreign exchange gain / (loss)	3	<u>44,850</u>	(189,644)
Loss before related income tax		(596,829)	(994,650)
Income tax (expense)/benefit	5	<u>-</u>	-
Loss for the year attributable to members of Burey Gold Ltd		<u>(596,829)</u>	(994,650)
Other comprehensive (loss)			
Exchange differences on translation of foreign operations		<u>348,485</u>	(1,136,116)
Total comprehensive loss attributable to members of Burey Gold Ltd		<u>(248,344)</u>	(2,130,766)
Basic and diluted (loss) per share	6	(0.17) cents	(0.4) cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Burey Gold Limited
Consolidated Statement of Financial Position
As at 30 June 2012

	Notes	2012 \$	2011 \$
Current Assets			
Cash and cash equivalents	8	7,472,006	9,146,424
Other receivables	9	134,800	1,062,986
Total Current Assets		7,606,806	10,209,410
Non-Current Assets			
Other receivables	9	20,125	10,000
Property, plant & equipment	10	58,428	79,370
Exploration and evaluation expenditure	11	9,816,261	7,393,114
Total Non-Current Assets		9,894,814	7,482,484
Total Assets		17,501,620	17,691,894
Current Liabilities			
Trade and other payables	12	225,391	527,252
Total Liabilities		225,391	527,252
Net Assets		17,276,229	17,164,642
Equity			
Contributed equity	13	23,142,488	23,149,870
Reserves	15	989,932	274,134
Accumulated losses		(6,856,191)	(6,259,362)
Total Equity		17,276,229	17,164,642

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Burey Gold Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2012

	Contributed Equity \$	Accumulated Losses \$	Option Premium Reserve \$	Foreign Currency Translation Reserve \$	Total Equity \$
Balance at 1 July 2010	11,502,520	(5,264,712)	1,174,532	(207,432)	7,204,908
Loss for the year	-	(994,650)	-	-	(994,650)
Other comprehensive income	-	-	-	(1,136,116)	(1,136,116)
Total comprehensive loss for the year	-	(994,650)	-	(1,136,116)	(2,130,766)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	10,169,298	-	-	-	10,169,298
Unallotted share capital	1,793,202	-	-	-	1,793,202
Share issue costs	(315,150)	-	-	-	(315,150)
Share based payments expense	-	-	443,150	-	443,150
	11,647,350	-	443,150	-	12,090,500
Balance at 30 June 2011	23,149,870	(6,259,362)	1,617,682	(1,343,548)	17,164,642
Balance at 1 July 2011	23,149,870	(6,259,362)	1,617,682	(1,343,548)	17,164,642
Loss for the year	-	(596,829)	-	-	(596,829)
Other comprehensive income	-	-	-	348,485	348,485
Total comprehensive profit / (loss) for the year	-	(596,829)	-	348,485	(248,344)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	-	-	-	-	-
Share issue costs	(7,382)	-	-	-	(7,382)
Share based payments expense	-	-	367,313	-	367,313
	(7,382)	-	367,313	-	359,931
Balance at 30 June 2012	23,142,488	(6,856,191)	1,984,995	(995,063)	17,276,229

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Burey Gold Limited
Consolidated Statement of Cash Flows
for the year ended 30 June 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(762,479)	(532,370)
Interest received		385,918	197,801
Net Cash outflows from Operating Activities	20	(376,561)	(334,569)
Cash Flows from Investing Activities			
Payments for plant and equipment		(5,107)	(36,032)
Refund / (payment) from / to bank guarantee security deposit		-	1,236
Payments for mineral projects acquisition costs		(12,500)	(181,928)
Payments for exploration and development expenditure		(2,258,935)	(3,181,194)
Payment for security deposit		(10,125)	-
Net Cash outflows from Investing Activities		(2,286,667)	(3,397,918)
Cash Flows from Financing Activities			
Proceeds from share and option issues		1,001,341	10,961,159
Share issue expenses		(57,382)	(265,150)
Net Cash inflows from Financing Activities		943,959	10,696,009
Net increase / (decrease) in Cash and Cash Equivalents		(1,719,269)	6,963,522
Cash and cash equivalents at the beginning of the year		9,146,424	2,372,547
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		44,851	(189,645)
Cash and Cash Equivalents at End of Year	8	7,472,006	9,146,424

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Burey Gold Limited
Consolidated Notes to the Accounts
for the year ended 30 June 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

Adoption of New and Revised Standards

In the year ended 30 June 2012, 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 the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2012. 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.

Statement of Compliance

These financial statements were authorised for issue on 25 September 2012.

The consolidated financial statements comprising the financial statements and notes thereto, comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Burey Gold Limited (the “Company”) and subsidiaries. Burey Gold Limited is a public company, incorporated and domiciled in Australia.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity.

Parent Entity Financial Information

The financial information for the parent entity, Burey Gold Ltd, disclosed in note 23 has been prepared on the same basis as the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to cash.

Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance account (provision for impairment) is used when collection of the full amount is no longer probable. Bad debts are written off when identified.

Foreign currency transactions and balances

The functional and presentation currency of Burey Gold Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

Ghanaian subsidiary	Ghanaian New Cedis (GHS)
Guinean subsidiary	United States Dollars (USD)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Foreign currency transactions and balances (continued)

At the end of the reporting period, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Burey Gold Limited at the closing rate at the end of the reporting period and income and expenses are translated at the weighted average exchange rates for the year. All resulting exchange difference is recognised in other comprehensive income as a separate component of equity (foreign currency translation reserve). On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation is recognised in profit or loss.

Taxes

Income tax

Deferred income tax is provided for on all temporary differences at reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity. In accordance with Australian Accounting Interpretations, "Substantive Enactment of Major Tax Bills in Australia", the financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2012, except to the extent that the adoption of the tax consolidation would impair the carrying value of any deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables on the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as loans and receivables. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

During the year, the consolidated entity has held loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Property, plant and equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy “impairment testing”).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period are between three and ten years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings, through other comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Mineral interest acquisition, exploration and development expenditure

Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy).

Impairment testing

The carrying amount of the consolidated entity's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Joint ventures

Joint venture interests are incorporated in the financial statements by including the Group's proportion of joint venture assets and liabilities under the appropriate headings.

Where part of a joint venture is farmed out and in consideration the farminee undertakes to carry out further expenditure in the joint venture area of interest, expenditure incurred prior to farmout is carried forward without adjustment unless the terms of the farmout indicate that the expenditure carried forward is excessive based on the diluted interest retained. Provision is then made to reduce expenditure carried forward to a recoverable amount.

Any cash received in consideration for farming out part of a joint venture interest is treated as a reduction in the carrying value of the related mineral property.

Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Share based payments

The Group provides compensation benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a Black Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Share based payments (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the Board of Directors.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The area that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

The exploration licences that comprise the Balatindi, Celein, Dion Koulai, Kossanke and Mansounia Project areas are in the process of being renewed by the Guinea Ministry of Mines and Geology. Conditions for licence renewal as set out in the Guinea Mining Code have been satisfied and the renewal applications were submitted in accordance with regulatory requirements. In the Directors' judgement, the licences will be renewed thus confirming the rights to tenure.

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	Consolidated	
	2012	2011
	\$	\$

2. REVENUE

Other revenue

Interest - other parties	431,751	220,160
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3. EXPENSES

Loss includes the following specific expenses:

Depreciation expense	1,987	4,845
Exploration expenditure written off	7,672	17,663
Foreign exchange (gain) / loss	(44,850)	189,644
Rental expense, minimum lease payments	1,528	-
Share based payments expense	367,313	443,150
Superannuation	1,800	1,800
Travel and accommodation	56,618	37,890

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Group – BDO Audit (WA) Pty Ltd	38,947	29,783
- Amounts paid for other services or to related practices of the auditor	-	-
- Amounts paid to non BDO Audit (WA) Pty Ltd audit firms for audit or review of the financial report of subsidiaries	8,576	5,527

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	Consolidated	
	2012	2011
	\$	\$
5. INCOME TAX EXPENSE		
(a) The prima facie tax benefit at 30% on loss for the year is reconciled to the income tax provided in the financial statements as follows:		
Loss	596,829	994,650
Prima facie income tax benefit @ 30%	179,049	298,395
Tax effect of permanent differences:		
Capital raising costs	61,210	87,370
Entertainment	-	(62)
Exploration expenses	620,836	1,069,732
Employee option expense / share based payments	(110,194)	(132,945)
Legal fees	(1,015)	(1,270)
	749,886	1,321,220
Income tax benefit not brought to account	(749,886)	(1,321,220)
Income tax expense	-	-

(b) **The following deferred tax balances have not been recognised:**

Deferred Tax Assets at 30%:

- Carry forward revenue losses	4,039,875	3,281,039
- Capital raising costs	176,892	195,623
- Provisions and accruals	13,150	5,208
	4,229,917	3,481,870

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising benefits.

Deferred tax liabilities in relation to capitalised exploration costs have been recognised and offset against deferred tax assets above.

	Consolidated	
	2012	2011
	cents	cents
6. EARNINGS PER SHARE		
Basic and diluted loss per share	(0.17)	(0.4)
	2012	2011
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	353,614,745	226,288,857

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.

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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.

	2012	Consolidated	2011
	\$		\$
Revenue from external sources	-		-
Reportable segment loss	(9,609)		(27,387)
Reportable segment assets	9,924,366		7,502,828
Reconciliation of reportable segment profit or loss			
Reportable segment loss	(9,609)		(27,387)
Other revenue / income	431,751		220,160
Unallocated:			
Corporate expenses	(1,018,971)		(1,187,423)
Loss before tax	(596,829)		(994,650)

8. CASH AND CASH EQUIVALENTS

	2012	Consolidated	2011
	\$		\$
Cash at bank and in hand	7,472,006		9,146,424

- Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer note 16(iv)

- An amount of \$10,000 is held as a deposit as collateral for the provision of credit card facilities used by an employee of the consolidated entity in the course of his employment. This amount is not included in note 8, cash and cash equivalents.

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	Consolidated	
	2012	2011
	\$	\$
9. OTHER RECEIVABLES		
Current		
Prepayments	51,578	28,291
Option conversion monies (Refer Note 13)	-	1,001,341
Other receivables	83,222	33,354
	134,800	1,062,986
Non-Current		
Other receivable (i)	20,125	10,000

(i) \$10,000 Deposit held as collateral for the provision of credit card facilities used by an employee of the consolidated entity in the course of his employment and \$10,125 security deposit for office premises.

Refer notes 16(a) and 16(b) for information about the Group's exposure to credit and liquidity risk.

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2012	2011
	\$	\$
<i>Plant and equipment</i>		
At cost	213,965	206,205
Less accumulated depreciation	(155,537)	(126,835)
	58,428	79,370

Reconciliation

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period.

Balance at the beginning of the year	79,370	94,833
Additions	5,107	36,032
Depreciation expense	(1,987)	(4,845)
Depreciation capitalised to exploration	(26,237)	(27,974)
Foreign currency translation difference movement	2,175	(18,676)
Carrying amount at the end of the year	58,428	79,370

11. EXPLORATION AND EVALUATION EXPENDITURE

Balance at the beginning of the year	7,393,114	4,816,122
Acquisition costs incurred	-	181,928
Expenditure incurred during the year	2,077,125	3,583,435
Exploration expenditure written off during the year	(7,672)	(17,663)
Foreign currency translation difference movement	353,694	(1,170,708)
Carrying amount at the end of the year	9,816,261	7,393,114

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. Application for renewal of these permits within the terms of their issue has been made in accordance with the mining legislation, with the Government's process pending at the date of this Report.

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	Consolidated	
	2012	2011
	\$	\$
12. TRADE AND OTHER PAYABLES		
Current		
Trade payables	124,757	157,467
Other payables	100,634	369,785
	225,391	527,252

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

Risk exposure:

Information about the group's risk exposure to foreign exchange risk is provided in note 16.

13. CONTRIBUTED EQUITY

	Consolidated	
	2012	2011
	\$	\$
(a) Issued and paid-up share capital		
Ordinary shares, fully paid 354,219,003 (2011: 318,354,948)	23,142,488	22,148,529
Other contributed equity [Refer Note 13(a)(ii)]	-	1,001,341
	23,142,488	23,149,870

Movements in Ordinary Shares:

Details	Number of Shares	Issue Price	\$
Balance at 1 July 2010	174,969,003		11,502,520
Placement of shares October / November 2010	60,000,000	\$0.10	6,000,000
Exercise of employee options	50,000	\$0.05	2,500
Shares issued on conversion of BYRO options	48,535,945	\$0.05	2,426,798
Shares issued on conversion of unlisted options	34,800,000	\$0.05	1,740,000
Option conversion monies received [unallotted at 30 June 2011 - see Note 13(a)(i)]	-		791,861
Share issue expenses	-		(315,150)
Balance at 30 June 2011	318,354,948		22,148,529
Conversion of BYRO options to shares [monies received prior to 30 June 2011 year end – see Note 13(a)(i)]	15,837,228		-
Conversion of BYRO options to shares [see Note 13(a)(ii)]	11,659,187	\$0.05	582,959
Allotment of shares under an underwriting agreement [see Note 13(a)(ii)]	8,367,640	\$0.05	418,382
Share issue expenses	-		(7,382)
Balance at 30 June 2012	354,219,003		23,142,488

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13. CONTRIBUTED EQUITY (continued)

Note 13(a)(i). \$791,861 was received immediately prior to 30 June 2011 for the conversion of 15,837,228 BYRO options into shares. These shares were allotted on 6 July 2011.

Note 13(a)(ii). The Company had entered into an underwriting agreement in relation to listed options expiring on 30 June 2011 ("BYRO"), pursuant to which the Underwriter would place shares of an equal number as the listed options (exercisable at 5 cents each) which were not exercised prior to expiry. On that basis, the Company has adjusted Contributed Equity and Other Receivables (refer Note 9) to reflect (i) the number of shares issued against option conversion notices received on 30 June 2011 but where monies were banked subsequently; and (ii) shares issued pursuant to the underwriting agreement.

(b) Share Options

2012 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2011 <i>Number</i>	Options Issued 2011/12 <i>Number</i>	Options Exercised/ Cancelled 2011/12 <i>Number</i>	Closing Balance 30 June 2012 <i>Number</i>
On or before 31 December 2012		\$0.05	6,500,000	-	-	6,500,000
On or before 31 December 2012		\$0.05	710,000	-	-	710,000
On or before 31 March 2013		\$0.15	2,500,000	-	-	2,500,000
1 January 2012 – 31 March 2014		\$0.20	2,500,000	-	-	2,500,000
17 November 2011 – 16 October 2013		\$0.35	470,000	-	-	470,000
29 November 2011 – 31 March 2013		\$0.20	750,000	-	-	750,000
On or before 31 December 2012		\$0.08	34,800,000	-	-	34,800,000
6 February 2013 – 6 February 2015	(i)	\$0.08	-	6,000,000	-	6,000,000
6 February 2014 – 6 February 2015	(i)	\$0.12	-	6,000,000	-	6,000,000
			48,230,000	12,000,000	-	60,230,000

(i) Options were issued to a director as a condition of employment (see Note 14).

All the options issued during the year were issued at nil consideration.

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

2011 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2010 <i>Number</i>	Options Issued 2010/11 <i>Number</i>	Options Exercised/ Cancelled 2010/11 <i>Number</i>	Closing Balance 30 June 2011 <i>Number</i>
On or before 30 June 2011	(i)	\$0.05	84,400,000	-	(84,400,000)	-
On or before 30 June 2011	(ii)	\$0.05	34,800,000	-	(34,800,000)	-
On or before 31 December 2012		\$0.05	6,500,000	-	-	6,500,000
On or before 31 December 2012		\$0.05	760,000	-	(50,000)	710,000
On or before 31 March 2013	(iii)	\$0.15	-	2,500,000	-	2,500,000
1 January 2012 – 31 March 2014	(iii)	\$0.20	-	2,500,000	-	2,500,000
17 November 2011 – 16 October 2013	(iv)	\$0.35	-	470,000	-	470,000
29 November 2011 – 31 March 2013	(v)	\$0.20	-	750,000	-	750,000
On or before 31 December 2012	(ii)	\$0.08	-	34,800,000	-	34,800,000
			126,460,000	41,020,000	(119,250,000)	48,230,000

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13. CONTRIBUTED EQUITY (continued)

- (i) 48,535,945 options were exercised prior to 30 June 2011, with the remaining 35,864,055 options subject to exercise or lapse as more particularly detailed in Notes 13 (a), 13(a)(i) and 13(a)(ii) above.
- (ii) A term of these 34.8 million options is that in the event they are exercised, one “piggyback” option will be issued for each option exercised. The piggyback options will be exercisable at 8 cents each on or before 31 December 2012.
- (iii) These options were issued as partial fee for corporate advisory services.
- (iv) 470,000 options were issued under the terms of the Burey Gold Limited Employee Option Plan.
- (v) 750,000 options were issued to a director in accordance with shareholder approval granted at the Annual General Meeting held on 25 November 2010.

All the options issued during the year were issued at nil consideration.

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

(c) Terms and conditions of contributed equity

Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

14. SHARE BASED PAYMENTS EXPENSE

Employee Option Plan -

In August 2007, the Company adopted the Burey Gold Limited Employee Option Plan (“Plan”). The Plan was renewed at the Annual General Meeting held on 25th November 2010. The Plan allows Directors from time to time to invite eligible employees to participate in the Plan and offer options to those eligible persons. The Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is three years. There are no cash settlement alternatives. Nil options were issued under the plan during the year ended 30 June 2012 (2011: 470,000).

Non Plan based payments

The Company also makes share based payments to consultants and / or service providers from time to time, not under any specific plan. The Burey Gold Limited Employee Option Plan does not allow for issue of options to the directors of the parent entity. Hence, specific shareholder approval is obtained for any share based payments to directors of the parent entity.

The expense recognised in the statement of comprehensive income in relation to share-based payments is disclosed in Note 3.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year under the Plan:

	2012 No.	2012 Weighted average exercise price	2011 No.	2011 Weighted average exercise price
Outstanding at the beginning of the year	1,180,000	\$0.17	760,000	\$0.05
Granted during the year	-	-	470,000	\$0.35
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(50,000)	\$0.05
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,180,000	\$0.17	1,180,000	\$0.17

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14. SHARE BASED PAYMENTS EXPENSE (continued)

The outstanding balance as at 30 June 2012 is represented by:

Number	Exercise period	Exercise price
710,000	On or before 31 December 2012	\$0.05
470,000	17 November 2011 - 16 October 2013	\$0.35
<u>1,180,000</u>		

The fair value of the equity-settled share options granted under the Plan is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted. The weighted average fair value of options granted under the Plan during the year was \$nil (2011: \$0.187).

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

Options issued under employee option plan \$33,470 (2011: \$54,420)

Other share based payments, not under any plans, are as follows (with additional information provided in Note 14 above):

	2012	2012	2011	2011
	Number	\$	Number	\$
Options to director, Mr Klaus Eckhof (i)	12,000,000	588,000	-	-
Options to director, Mr Nigel Ferguson (ii)	-	-	750,000	153,750
Options to consultants (iii) (valued at the fair value of services received)	-	-	5,000,000	392,500

- (i) 6,000,000 of these directors' options vest on 6 February 2013 and 6,000,000 options vest on 6 February 2014. Burey recognised an expense of \$177,167 for the year ended 30 June 2012.
- (ii) These options vested on 29 November 2011. Burey recognised an expense of \$58,551 for the year ended 30 June 2012 (2011: \$95,199).
- (iii) 2,500,000 options vested on 17/11/2010 and the balance vested on 01/01/2012. Burey recognised an expense of \$98,125 for the year ended 30 June 2012 (2011: \$293,531)

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted. The fair value of options issued is calculated by reference to the market value of the shares trading on the Australian Securities Exchange (ASX) on or around the date of grant.

The weighted average fair value of options granted during the financial year ended 30 June 2012 was \$0.05 each (2011: \$0.10).

The weighted average remaining contractual life of share options outstanding at the end of the year was 20 months (2012: 22 months).

The following table lists the inputs to the model used for the years ended 30 June 2012 and 30 June 2011 respectively:

	2012	2011
Volatility (%)	128	120-125
Risk-free interest rate (%) - range	3.34	4.89-5.13
Expected life of option (years)	3	2.5-3.5
Exercise price (cents)	8 & 12	15, 20 & 35
Weighted average share price at grant date (cents)	7	15

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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15. RESERVES

	Consolidated	
	2012	2011
	\$	\$
Option Premium (Note 15a)	1,984,995	1,617,682
Foreign Currency Translation (Note 15b)	(995,063)	(1,343,548)
	989,932	274,134
(a) Movement During the Year – Option Premium		
Opening balance	1,617,682	1,174,532
Issue of directors options	235,718	95,199
Issue of employee / consultants options	131,595	347,951
Closing balance	1,984,995	1,617,682
(b) Movement During the Year – Foreign Currency Translation		
Opening balance	(1,343,548)	(207,432)
Foreign currency translation differences	348,485	(1,136,116)
Closing balance	(995,063)	(1,343,548)

Nature and purpose of reserves

Option Premium Reserve

The option premium reserve is used to recognise the grant date fair value of options issued to employees and others but not exercised (share-based payments). Also included in the option premium reserve are amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

16. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

(i) Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

(ii) Receivables

As the Group operates in the mineral exploration sector rather than trading, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Presently, the Group undertakes exploration and evaluation activities in Australia and West Africa. At the reporting date there were no significant concentrations of credit risk.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group does not have any material risk exposure to any single debtor or group of debtors. All bank deposits in Australia, Ghana and Guinea are held in AA rated banks.

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16. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Due to the nature of the Group's activities and the present lack of operating revenue, the Group has to raise additional capital from time to time in order to fund its exploration activities. The decision on how and when the Group will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least three to six months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table details the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than 6 months \$	6 – 12 months \$	Over 1 year \$	Total \$
Group at 30 June 2012				
Financial Liabilities:				
Current:				
Trade and other payables	225,391	-	-	225,391
Total Financial Assets	225,391	-	-	225,391

Group at 30 June 2011

Financial Liabilities:

Current:

Trade and other payables	527,252	-	-	527,252
Total Financial Assets	527,252	-	-	527,252

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities, primarily the Australian dollar (AUD). The currencies in which these transactions are primarily denominated are AUD, GHS and USD.

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

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16. FINANCIAL RISK MANAGEMENT (continued)

(ii) Exposure to foreign exchange risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date explained in Australian dollars are as follows:

	Notes	30 June 2012		30 June 2011	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
United States Dollar		999,771	123,371	804,135	382,901
Ghanaian New Cedi		16,986	-	17,039	5,216
Guinea Francs		1,563	14,199	16,550	1,913
		1,018,320	137,570	837,724	390,030

The following significant exchange rates applied during the year:

	Notes	Average rate		Reporting date spot rate	
		2012	2011	2012	2011
		\$	\$	\$	\$
United States Dollar		1.03	0.99	1.02	1.06
Ghanaian New Cedi		1.75	1.48	1.98	1.61

There has been no material exposure to non functional currency amounts during the financial year.

(iii) Sensitivity analysis

A 10 percent strengthening (based on forward exchange rates) of the Australian dollar against the above currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Notes	Consolidated	
		2012	2011
		\$	\$
(Profit) or loss	(i)	88,175	73,426
Equity	(ii)	(12,332)	(32,699)

(i) this is mainly attributable to the exposure on USD cash

(ii) this is mainly related to the translation of foreign operations at reporting date

A 10 percent weakening (based on forward exchange rates) of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iv) Interest Risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents.

The Group may be exposed to interest rate risk through primary financial assets and liabilities. The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at reporting date.

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16. FINANCIAL RISK MANAGEMENT (continued)

2012	Weighted Average effective interest rate	Floating interest rate \$	Fixed interest rate maturing in:		Non- interest bearing \$	Total \$
			1 year or less \$	Over 1 year \$		
Financial Assets:						
Current:						
Cash and cash equivalents	5.73%	752,031	5,750,000	-	969,975	7,472,006
Receivables		-	-	-	83,222	83,222
Total Financial Assets		752,031	5,750,000	-	1,053,197	7,555,228
Financial Liabilities:						
Current:						
Trade and other payables		-	-	-	225,391	225,391
Total Financial Liabilities		-	-	-	225,391	225,391

2011	Weighted Average effective interest rate	Floating interest rate \$	Fixed interest rate maturing in:		Non- interest bearing \$	Total \$
			1 year or less \$	Over 1 year \$		
Financial Assets:						
Current:						
Cash and cash equivalents	5.24%	4,588,695	3,750,000	-	807,729	9,146,424
Receivables		-	-	-	1,034,695	1,034,695
Total Financial Assets		4,588,695	3,750,000	-	1,842,424	10,181,119
Financial Liabilities:						
Current:						
Trade and other payables		-	-	-	527,252	527,252
Total Financial Liabilities		-	-	-	527,252	527,252

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group holds working capital in transaction accounts at variable interest rates. If the interest rates had increased or decreased by 100 basis points (100bps) from the year end rates (based on forward treasury rates) with all other variables held constant, profit would increase or decrease by \$74,720.

Burey Gold Limited
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16. FINANCIAL RISK MANAGEMENT (continued)

The following table summarises the sensitivity of the Group's financial assets to interest rate risk.

2012	Interest rate risk				
	Carrying Amount	Profit	-100 bps Equity	Profit	+100 bps Equity
	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	7,472,006	(74,720)	(74,720)	74,720	74,720
Total increase / (decrease)		(74,720)	(74,720)	74,720	74,720

2011	Interest rate risk				
	Carrying Amount	Profit	-100 bps Equity	Profit	+100 bps Equity
	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9,146,424	(91,464)	(91,464)	91,464	91,464
Total increase / (decrease)		(91,464)	(91,464)	91,464	91,464

(d) Net fair values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

(e) Capital risk management

Management controls the capital of the Group in order to ensure that the Group can fund its operations on an efficient and timely basis and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's cash projections up to twelve months in the future and any associated financial risks. Management will adjust the Group's capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

17. CONTINGENCIES

There were no contingent liabilities of the consolidated entity not provided for in the financial statements at 30 June 2012.

18. INTERESTS IN JOINT VENTURES

Burey and Redport Limited have formed a 50/50 unincorporated joint venture (Kintyre East Joint Venture) in respect of exploration for uranium in the Kintyre East area of Western Australia. This joint venture had not become effective at year end.

Burey Gold Limited
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19. COMMITMENTS

(a) Capital commitments

There were no capital commitments, not provided for in the financial statements as at 30 June 2012, other than:

With respect to the Group's mineral property interests in Guinea, statutory expenditure commitments specified by the mining legislation are nominal in monetary terms. However, as part of mineral licence application and renewal requirements, the Group submits budgeted exploration expenditure. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. These budget amounts do not become legal obligations of the Group and actual expenditure may and does vary depending on the outcome of actual exploration programs, and the costs and results from those programs.

(b) Lease commitments: non-cancellable operating lease

Burey Gold Ltd entered into a lease agreement with Corporate Consultants Pty Ltd for the use of furnished office space on 7 June 2012. The agreement is effective from 7 June 2012 to its expiry date of 30 September 2015.

	Consolidated	
	2012	2011
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	23,922	-
One year to five years	53,826	-
Total	<u>77,748</u>	<u>-</u>

Consolidated	
2012	2011
\$	\$

20. STATEMENTS OF CASH FLOWS

(a) Reconciliation of loss after income tax to net cash outflow from operating activities

Loss after income tax	(596,829)	(994,650)
Add back non-cash items:		
Depreciation	1,987	4,845
Exploration expenditure written off	7,672	17,663
Share based payments expense	367,313	443,150
Net exchange differences	(44,850)	189,644
Change in assets and liabilities:		
Decrease / (Increase) in receivables	(73,155)	(35,219)
Increase / (Decrease) in operating payables	(38,699)	39,998
Net cash outflow from operating activities	<u>(376,561)</u>	<u>(334,569)</u>

(b) Non-Cash Financing and Investing Activities

There were no non-cash financing and investing activities during the financial year ended 30 June 2012 (2011: Nil).

Burey Gold Limited
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21. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were key management personnel of the consolidated entity at any time during the year and unless otherwise indicated were key management personnel for the year:

Executive Directors	Non Executive Directors
Mr Klaus Eckhof (appointed 6 February 2012)	Mr Ron Gajewski
Mr Bruce Stainforth	Mr Susmit Shah
Mr Nigel Ferguson (part-time) (resigned 31 March 2012)	Mr Kevin Thomson

Other than the Directors of the Company disclosed above, there were no other executives who have direct responsibility for the strategic direction and operational management of the consolidated entity.

The key management personnel compensation included in 'salaries and wages' and elsewhere is as follows:

	Consolidated	
	2012	2011
	\$	\$
Short-term employee benefits	503,011	349,825
Post-employment benefits	1,800	1,800
Share-based payments	235,718	95,199
	740,529	446,824

Apart from the details disclosed in this note and in the Remuneration Report forming part of the Directors' Report, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Share holdings

The numbers of shares in the Company held during the financial period by Directors, including shares held by entities they control, are set out below:

30 June 2012	Balance at 1 July 2011	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2012
<i>Parent entity directors</i>					
Ron Gajewski	13,400,001	-	-	-	13,400,001
Klaus Eckhof	-	-	-	-	-
Bruce Stainforth	1,000,000	-	-	-	1,000,000
Susmit Shah	2,100,000	-	-	-	2,100,000
Kevin Thomson	-	-	-	-	-
Nigel Ferguson ⁽¹⁾	100,001	-	-	-	n/a

⁽¹⁾ Mr Ferguson resigned on 31 March 2012

30 June 2011	Balance at 1 July 2010	Received as Remuneration	Options Exercised *	Other Movements	Balance at 30 June 2011
<i>Parent entity directors</i>					
Ron Gajewski	8,582,949	-	4,000,000	817,052	13,400,001
Bruce Stainforth	1,000,000	-	-	-	1,000,000
Susmit Shah	1,300,000	-	800,000	-	2,100,000
Kevin Thomson	-	-	-	-	-
Nigel Ferguson	100,001	-	-	-	100,001

* The options exercised were not granted as remuneration.

(i) Other movements refer to shares purchased or sold during the financial year.

Burey Gold Limited
Consolidated Notes to the Accounts
for the year ended 30 June 2012

21. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Option holdings

The numbers of options in the Company held during the financial period by Directors, including shares held by entities they control, are set out below:

30 June 2012	Balance at 1 July 2011	Received as Remuneration (i)	Options Exercised	Other Movements	Balance at 30 June 2012	Vested and Exercisable at Year End	Unvested At Year End
<i>Parent entity directors</i>							
Ron Gajewski	500,000	-	-	-	500,000	500,000	-
Klaus Eckhof	-	12,000,000	-	-	12,000,000	-	12,000,000
Bruce Stainforth	5,000,000	-	-	-	5,000,000	5,000,000	-
Nigel Ferguson ⁽¹⁾	1,250,000	-	-	-	n/a	n/a	n/a
Susmit Shah	500,000	-	-	-	500,000	500,000	-

⁽¹⁾ Mr Ferguson resigned on 31 March 2012

30 June 2011	Balance at 1 July 2010	Received as Remuneration (ii)	Options Exercised	Other Movements	Balance at 30 June 2011	Vested and Exercisable at Year End	Unvested At Year End
<i>Parent entity directors</i>							
Ron Gajewski	4,500,000	-	(4,000,000)	-	500,000	500,000	-
Bruce Stainforth	5,000,000	-	-	-	5,000,000	5,000,000	-
Nigel Ferguson	500,000	750,000	-	-	1,250,000	500,000	750,000
Susmit Shah	1,300,000	-	(800,000)	-	500,000	500,000	-

(i) The options were issued as a condition of employment, on his appointment as director.

(ii) The options issued to directors during the 2011 financial year were issued as a reward for past services and as incentive for future performance.

Other transactions with key management personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

	Consolidated 2012 \$	2011 \$
Accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Gajewski and Mr Shah have beneficial interests.	133,282	160,618
Rental fees for furnished office space paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Gajewski and Mr Shah have beneficial interests.	1,528	-
<i>Balances due to Directors and Director Related Entities at year end</i>		
- included in trade creditors and accruals	19,848	61,181

Corporate Consultants Pty Ltd also holds a rental security deposit of \$10,125 (2011: Nil) - (Note 9).

Burey Gold Limited
Consolidated Notes to the Accounts
for the year ended 30 June 2012

22. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 21.

(b) Parent entity

Burey Gold Limited is the ultimate parent entity.

23. PARENT ENTITY DISCLOSURES

Financial position

	2012 \$	2011 \$
Assets		
Current assets	7,485,920	9,817,979
Non-current assets	9,499,682	7,483,885
Total assets	16,985,602	17,301,864
Liabilities		
Current liabilities	48,247	137,222
Non-current liabilities	-	-
Total liabilities	48,247	137,222
Equity		
Issued capital	23,142,488	23,149,870
Accumulated losses	(8,190,129)	(7,602,910)
Reserves		
Option premium reserve	1,984,995	1,617,682
Total equity	16,937,354	17,164,642

Financial performance

	2012 \$	2011 \$
Loss for the year	587,219	2,180,213
Other comprehensive income	-	-
Total comprehensive loss	587,219	2,180,213

Contingent liabilities of the parent entity

The parent entity does not have any contingent liabilities.

For details on commitments, see Note 19.

Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity has not made any commitments for the acquisition of property, plant and equipment.

Burey Gold Limited
Consolidated Notes to the Accounts
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23. PARENT ENTITY DISCLOSURES (continued)

Interest in Subsidiaries

		Place of Incorporation	Consolidated Entity Interest 2012 %	Consolidated Entity Interest 2011 %	Class of Shares
Parent Entity					
Burey Gold Ltd		Australia			
Subsidiary					
Burey Gold (Ghana) Ltd	Ord	Ghana	100	100	Ord
Burey Gold Guinee sarl	Ord	Guinea	100	100	Ord
Burey Resources Pty Ltd	Ord	Australia	100	100	Ord

24. EVENTS OCCURRING AFTER THE REPORTING DATE

There are no matters or circumstances that have arisen since 30 June 2012 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

Burey Gold Limited
Directors' Declaration
for the year ended 30 June 2012

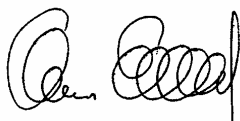
In the opinion of the Directors:

- a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited 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 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including Australian Accounting Standards) and *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The financial statements and notes thereto include an explicit and unreserved statement of compliance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Board



K P Eckhof
Managing Director

Dated at Perth on the 25th day of September 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREY GOLD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Burey Gold Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.



Opinion

In our opinion:

- (a) the financial report of Burey Gold Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Burey Gold Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO


Chris Burton
Director

Perth, Western Australia
Dated this 25th day of September

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of Burey Gold Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Burey Gold Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable and given its size and circumstances the Company has adopted the Eight Essential Corporate Governance Principles and Recommendations ("Recommendations"), as published by ASX Corporate Governance Council ("CGC").

The Company's directors are fully cognisant of the Corporate Governance Principles and Recommendations published by CGC and have adopted those recommendations where they are appropriate to the Company's circumstances.

However, a number of those principles and recommendations are directed towards listed companies considerably larger than Burey Gold Limited, whose circumstances and requirements accordingly differ markedly from the Company's. For example, the nature of the Company's operations and the size of its staff mean that a number of the board committees and other governance structures recommended by the CGC are not only unnecessary in Burey's case, but the effort and expense required to establish and maintain them would, in the directors' view, be an unjustified diversion of shareholders' funds.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

The Company's corporate governance practices were in place throughout the financial year ended 30 June 2012 and were compliant, unless otherwise stated, with the CGC's principles and recommendations, which are noted below. The Board as a whole is involved in matters where larger Boards would ordinarily operate through sub-committees. For these reasons, some of the best practices recommended by CGC are not cost effective for adoption in a small company environment.

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the board to add value
Principle 3.	Promote ethical and responsible decision making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Remunerate fairly and responsibly

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Principle 1 Recommendation 1.1

Notification of Departure:

The Company has not formally disclosed the functions reserved to the Board and those delegated to senior executives as the Company does not have any senior executives (who are not also directors) at this time. The appointment of non-executive directors to the Board is not formalised in writing by way of a letter or other agreement.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and senior executives. The Board has established an informal framework for the management of the Company and the roles and responsibilities of the Board and senior executives. Due to the small size of the Board and of the Company, the Board do not think that it is necessary to formally document the roles of Board and management until such time as senior executives are employed, as it believes that these roles are being carried out in practice and are clearly understood by all members of the Board. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company, reviewing and monitoring risk and ensuring that shareholder value is increased.

The Company had two executive directors, including the Managing Director during the year. The Managing Director is responsible for ensuring that the Company achieves the goals established by the Board.

The appointment of non-executive directors is formalised in accordance with the regulatory requirements and the Company's constitution.

Principle 1 Recommendations 1.2 and 1.3

As mentioned above, the Company had two executive directors, including the Managing Director during the year. The Company has no senior executives other than these two Directors at this stage.

Principle 2 Recommendations 2.1 and 2.2

Notification of departure

Mr Ron Gajewski, the non-executive chair, is not independent in accordance with the test of independence as set out in Box 2.1 of the ASX Corporate Governance Principles and Recommendations. In addition the Company does not have a majority of independent directors.

Explanation for departure

The Board considers that the current composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. The current Board structure presently consists of the non-executive chairman, the managing director, a full-time executive director (exploration) and two other non-executive directors. The Company considers that each of the directors possess skills and experience suitable for building the Company. The Board takes the responsibilities of best practice in corporate governance seriously. It is the Board's intention to review its composition on a continual basis as the Company's expands its activities and greater demands and skills amongst directors become necessary.

Principle 2 Recommendation 2.5

Evaluation of the Board as a whole and that of individual directors is presently carried out on an informal basis. This is done on an annual basis but also during the course of the year as specific events take place, for example following the completion of an exploration program.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONTINUED)

Principle 2 Recommendation 2.4 and Principle 4 Recommendations 4.1 to 4.4

Notification of Departure

Separate audit and nomination committees have not been formed.

Explanation for Departure

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

In particular, the full Board considers those matters that would usually be the responsibility of an audit committee and a nomination committee. The Board considers that, at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee or a separate nomination committee.

Principle 3 Recommendation 3.1

Notification of Departure:

The Company has not established a formal code of conduct.

Explanation for Departure:

The Board considers that its business practices as set by the Board are the equivalent of a code of conduct. Due to the small size of the Company and lack of complexity in its activities, the Board is involved in most aspects of the Company's activities. The directors have a history of working with public listed companies and, notwithstanding the absence of a formal code of conduct, are familiar with listing rules, legal requirements and general requirements for ethical behaviour and integrity in decision making, including trading in the Company's securities.

Principle 3 Recommendation 3.2 to 3.4

Notification of Departure:

The Company does not have a documented policy concerning diversity and its measurable objectives in this regard.

Explanation for Departure:

The Board recognises the value of providing an inclusive workplace and the value of having a workforce made up of individuals with diverse skills, values, background and experiences, with a commitment to equality and respect. However, given the current scale of operations, stage of development and size of the workforce, the Board considers it impractical to have a formal diversity policy.

Due to the size of the Company and its workforce, the Board does not consider it appropriate to set measurable objectives for achieving gender diversity at this time.

The Company has 15 staff, of which 2 are women.

There are no women in senior executive positions or on the board.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Principle 5 Recommendation 5.1

Notification of Departure:

The Company has not established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance.

Explanation for Departure:

The Company's directors have a long history of involvement with public listed companies and are familiar with disclosure requirements of the ASX listing rules.

The Company has in place informal procedures which it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the non-executive chairman and the company secretary as being responsible for all matters relating to disclosure.

Principle 6 Recommendation 6.1

Notification of Departure:

The Company has not established a formal shareholder communication strategy.

Explanation for Departure:

While the Company has not established a formal shareholder communication strategy, it intends to actively communicate with its shareholders in order to identify the expectations of its shareholders and actively promote shareholder involvement in the Company. It will achieve this by posting on its website copies of all information which is lodged with the ASX. Shareholders with internet access are encouraged to provide their email addresses to receive electronic copies of information distributed by the Company. Alternatively, hard copies of information distributed by the Company will be available on request.

The Company's auditors are required to attend the Company's AGM to answer any questions put to them by the shareholders.

Principle 7 Recommendation 7.1 to 7.3

Notification of Departure:

The Company has an informal risk oversight and management policy and internal compliance and control system.

Explanation for Departure:

The Board does not currently have formal procedures in place but is aware of the various risks that affect the Company and its particular business. As the Company develops, the Board will develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the Company and the stage of development of its projects.

The Board has received a section 295A declaration pursuant to the 2012 financial period.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Principle 8 Recommendation 8.1

Notification of Departure:

The Company has not established a remuneration committee and does not have in place a formal process for evaluation of the Board, individual directors and key executives.

Explanation for Departure:

Evaluating the Board and individual directors is on an informal basis at regular intervals until such time as the size of the Board warrants a formal process for implementation and key executives are employed.

Principle 8 Recommendation 8.2

Notification of Departure:

The Company has in the past granted options to non-executive directors and the Board considers it appropriate to do so again in the future.

Explanation for Departure:

For small companies, particularly those involved in mineral exploration, the focus generally is on maximising the proportion of funds spent on exploration as opposed to corporate and administration. Thus in order to do so and conserve cash and attract good calibre candidates, the Board considers it necessary to grant options to non-executive directors as part of their remuneration packages.

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Shareholder Information

The shareholder information set out below was applicable as at 24 September 2012.

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholder	Number of Shares
Perseus Mining Limited	81,500,000

Distribution of equity security holders

Size of Holding	Ordinary Shares	Unlisted Options
1 to 1,000	34	-
1,001 to 5,000	124	-
5,001 to 10,000	181	-
10,001 to 100,000	698	14
100,001 and over	299	10
	<u>1,336</u>	<u>24</u>

The number of shareholdings comprising less than a marketable parcel was 364.

Twenty Largest Shareholders as at 24 September 2012	Number of Shares	% Held
Perseus Mining Ltd	81,500,000	23.008
JP Morgan Nominees Australia Limited	70,089,800	19.787
Vienna Holdings Pty Ltd	13,000,000	3.670
Macquarie Bank Limited	10,000,000	2.823
Mr Michael Lynch	8,440,550	2.383
Sell Power Pty Ltd	8,255,400	2.331
HSBC Custody Nominees (Australia) Limited	6,641,140	1.875
P R Perry Nominees Pty Ltd	5,350,000	1.510
St Barnabas Investments Pty Ltd	5,000,000	1.412
Sancoast Pty Ltd	3,000,000	0.847
Technica Pty Ltd	2,835,000	0.800
Hawkestone Oil Pty Ltd	2,781,000	0.785
Mr Michael Davies	2,600,000	0.734
Mr M O Small, Mr P R Meyer & Mr K N Deer	2,200,000	0.621
Auralandia NL	1,900,000	0.536
Paso Holdings Pty Ltd	1,831,500	0.517
Mr David John Massey	1,733,253	0.489
Mr S & Mrs S Shah	1,600,000	0.452
Mr A J Tapp & Ms M Polymeneas	1,500,000	0.423
Meadowhead Investments Pty Ltd	1,500,000	0.423
	<u>231,757,643</u>	<u>65.426</u>

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Shareholder Information

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Class	Number	Holders
Options – exercisable at 8 cents each on or before 31 December 2012	34,800,000	Perseus Mining Limited
Options - exercisable at 5 cents on or before 31 December 2012	6,500,000	Directors – B Stainforth (5,000,000) R Gajewski (500,000), N Ferguson (500,000), S Shah (500,000)
Options - exercisable at 5 cents each and expiring on 31 December 2012	710,000	Issued under the Company’s Employee Option Plan
Options – exercisable at 15 cents each and expiring 31 March 2013	2,500,000	BGF Equities Pty Ltd
Options – exercisable at 20 cents each and expiring 31 March 2014	2,500,000	BGF Equities Pty Ltd
Options – exercisable at 20 cents each and expiring 31 March 2013	750,000	Director – N Ferguson
Options – exercisable at 35 cents each and expiring 16 October 2013	470,000	Issued under the Company’s Employee Option Plan
Options – exercisable at 8 cents each on or before 6 February 2015	6,000,000	Director – K Eckhof
Options – exercisable at 12 cents each on or before 6 February 2015	6,000,000	Director – K Eckhof

Potential Change in Control

Pursuant to an agreement between the Company and Perseus Mining Limited (“Perseus”) on or around 2 March 2010, Perseus agreed to subscribe for a total of 34,800,000 shares and 34,800,000 options in the Company (together with the right to receive a further 34,800,000 “piggyback” options on the exercise of the initial 34,800,000 options).

At a meeting held on 25 June 2010, the Company’s shareholders approved the issue of shares and options to Perseus as required under the terms of the agreement referred to above and also approved the issue of shares upon the future exercise of these options (inclusive of the piggyback options) in accordance with Item 7, Section 611 of the Corporations Act.

The issue of shares upon the exercise of options could result in Perseus’s interest in the Company’s issued shares exceeding 20%. In June 2011, Perseus exercised its holding of 34,800,000 options in the Company and was consequently issued 34,800,000 “piggyback” options.

Perseus’s interest in issued shares at present: 23.01%

Perseus’s voting power could be in the range 23.01% to 29.90%, if Perseus exercises all its piggyback options and no other shares are issued by the Company.

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Shareholder Information

Mineral Interests held at 24 September 2012 are as follows:-
Guinea, West Africa

<i>Location</i>	<i>Concession name and type</i>	<i>Registered Holder</i>	<i>File Number</i>	<i>Burey's current equity interest</i>	<i>Maximum equity interest capable of being earned</i>	<i>Notes</i>
Guinea	Mansounia Exploration Permit	Caspian Oil & Gas Ltd	A2009/009/DIGM /CPDM to February 2011	-	85%	1,2,3,9
Guinea	Balatindi Exploration Permit	Africa Banawa Mining SARLU	A2009/022/DIGM /CPDM to February 2011	-	90%	4,5,9
Guinea	Dion Koulai Exploration Permit	Claude Consulting and Exploration Guinea (2CE) SARL	A2009/159/DIGM /CPDM to July 2012	80%	80%	4,6, 9
Guinea	Kossanke Exploration Permit	Societe Nonsimba Gold Fields sarl	A2009/139/DIGM /CPDM to July 2012	-	95%	4,7, 9
Guinea	Sabiri Mira	Claude Consulting and Exploration Guinea (2CE) SARL	-	-	80%	4,6, 10
Guinea	Celine Exploration Permit	Societe Bossoba SARLU	A2010/152/DIGM /CPDM to June 2012	-	95%	4,8, 9

Notes:

- Under the terms of the Mansounia Agreement, the Burey Group can earn an interest of 70% in the Mansounia property in the Republic of Guinea, West Africa by sole funding exploration expenditure up to completion of a bankable feasibility study (BFS). Thereafter, the Company's interest could increase to 85%, if Caspian and its local partner ("Vendor") elect to convert their 15% participating interest to an 8% net profit interest.
- The Government of Guinea has a 15% free-carried beneficial interest in the Mansounia Joint Venture (Government Interest). The Government Interest is carried within the Vendor's portion of the Pre-BFS Interests.
- Upon completion and delivery of the first BFS, the Company must pay US\$500,000 to Caspian.
- If a decision is made to start mining operations, the relevant parties must enter into a new agreement, a mining title will be required and a new Guinean company must be formed. The Government of Guinea must be allocated 15% of the shares of the new company, such interest to be free carried.
- Burey has an option to acquire an initial 90% interest in the named property and is responsible for sole funding exploration on the property after exercise of the option. Burey has the right to acquire a further 5% by payment of US\$500,000 and the remaining 5% by granting a 1% net smelter royalty. The Government of Guinea's statutory 15% free-carried beneficial interest on commencement of production would be adjusted against Burey's interest.
- Burey is responsible for sole funding exploration on this property. The Government of Guinea's 15% interest upon commencement of mining would be adjusted pro-rata against Burey's and local partner's 80% and 20% interests respectively.
- Burey has the right to earn an initial 60% interest by sole funding exploration expenditure for an aggregate amount of US\$2 million. By continuing to sole fund exploration to conclusion of a positive feasibility study, Burey's interest will increase to 80%. Thereafter, Burey has the right to acquire 15% from the licence holder's 20% and the licence holder can elect to retain a free carried interest of 5% or convert that to a royalty interest (Burey's percentage interests are before taking into account the Guinea Government's statutory 15% interest at the mining stage).
- Burey has entered into an agreement to earn an initial 60% interest by sole funding exploration expenditure for an aggregate amount of US\$750,000. By continuing to sole fund exploration to conclusion of a positive feasibility study, Burey's interest will increase to 80%. Thereafter, Burey has the right to acquire 15% from the licence holder's 20% and the licence holder can elect to retain a free carried interest of 5% or convert that to a royalty interest (Burey's percentage interests are before taking into account the Guinea Government's statutory 15% interest at the mining stage).
- Application for renewal of these permits within the terms of their issue has been made in accordance with the mining legislation, with the Government's process pending at the date of this Report.
- Permit has been recommended for grant, awaiting Ministerial approval.