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Burey Gold Limited

MAIDEN GOLD RESOURCE - MANSOUNIA GOLD PROJECT, GUINEA

Highlights

- A maiden independent Indicated and Inferred Mineral Resource estimate of 1.08 million ounces of gold at a 0.2g/t Au cut off, is reported for the Mansounia Gold Project, Guinea (Table A).
- The modelled gold mineralisation extends to within 2km of an operating CIL gold plant.
- Significantly, the gold resource has not been closed off by drilling to the south and southwest, nor at depth. Drilling evidences a southerly persistence and incremental improvement in the grade of saprock mineralisation.
- The modelled mineralisation extends for over 3.7km along an east facing gentle asymptotic slope. Mineralisation is largely shallow to outcropping on the upper western levels from where grade can also be elevated and can continue to ~50m below surface.
- Mineralisation is predominantly contained by easily mined soft saprolised (clay rich) rock with an exceptionally low level of waste inclusion. Significantly mineralisation can be thicker proximal to its steeply E dipping primary source, but persistently is gently southeast dipping and sheet-like, tapering, only gradually, in thickness and grade.
- Comprehensive independent metallurgical test work carried out on representative Mansounia mineralisation confirms a high percentage gold recovery in a short leach time with low reagent consumption, and a ready amenability to processing / gold extraction by carbon in cyanide leach.

Table A: Resource Estimate Summary, Mansounia Gold Occurrence, 2009.

Cut-off Grade Au/t*	Indicated			Inferred			Total		
	Tonnes Mt	Grade Au/t	Contained Ounces Au	Tonnes Mt	Grade Au/t	Contained Ounces Au	Tonnes Mt	Grade Au/t	Contained Ounces Au
0.2	7.9	0.6	151,600	53.6	0.5	926,400	61.5	0.5	1,078,000
0.4	6.1	0.7	132,100	30.4	0.7	697,600	36.5	0.7	829,700
0.7	2.2	0.9	66,700	10.9	1.1	370,300	13.1	1.0	436,900
1.0	0.5	1.2	21,900	4.5	1.4	200,200	5.0	1.4	222,100

*gold in grams per tonne.



Figure 1: Location of the Mansounia Gold Deposit.

MANSOUNIA GOLD PROJECT, GUINEA

Burey Gold Limited (ASX: BYR) is pleased to announce a maiden Mineral Resource estimate for the Mansounia Gold Deposit (“MGD”) completed by independent consultant, Runge Limited (Runge).

The Company believes that, given the geological parameters of the resource area, further higher grade gold resources can be added to the mineral resource base through additional drill testing of significant mineralised zones indicated by drill holes in the south of the defined resource area.

1. PROJECT SETTING AND BACKGROUND

The MGD is located within the Mansounia Property close to the village of Kiniero in Upper Guinea, some 50km west of the regional capital of Kankan. Refer to Figure 1-Location Plan.

The MGD is logistically well placed for development access, being within some 2km of an operating plant-site, the SHELL bulk fuel depot and closer to the service airstrip and main access to the Kiniero Gold Mine managed by SEMAFO, a TSX listed West African “middle tier” gold producer.

In 2006, Burey entered into a farm-in and joint venture agreement with Caspian Oil & Gas Ltd to earn a 70% interest in the property by solely funding exploration expenditure up to the completion of a bankable feasibility study.

Since farming in, Burey has added 180 Reverse Circulation (RC) and 17 diamond core (DD) drill holes to the previous inventory of 56 Rotary Air Blast (RAB) and 90 RC drill holes to test the MGD. All holes were considered in the preparation of the maiden resource estimate and 16 DD holes were used in the preparation of the comprehensive metallurgical appraisal.

2. PROJECT AND RESOURCE GEOLOGY

Regionally the Mansounia Property lies within a Lower Proterozoic volcanic arc setting marginal to the Lower Proterozoic Siguri Basin and more locally, within a weakly metamorphosed intermediate to mafic volcano-sedimentary package which is dominated by andesitic to basaltic volcanics and volcanic tuff.

The MGD lies beneath a strongly lateritised easterly facing gently asymptotic shaped sheet wash slope at between ~440m to ~570m ASL. The surface is generally lightly and sparsely timbered, ephemerally grassed to soil bare laterite hardpan.

The primary source of the MGD is interpreted to be an array of relatively thin, <10m wide, steeply dipping, strain-arrayed en echelon lodes trending NNE. Petrological thin sections, prepared from the Mansounia diamond drill core, show the primary mineralisation to be associated with albitic, silicic and carbonate alteration fluids, wherein gold commonly occurs as very fine grains occluded within sulphide (commonly pyrite and chalcopyrite), and minor quartz veins.

The bulk of the MGD defined to date is secondary gold mineralisation, located within laterite aprons and accumulated within wedges of shallow, highly oxidised, and saprolised derivatives (largely degraded to smectitic and kaolinitic clays) of intermediate to basic volcanic and tuff.

The secondary gold mineralisation is interpreted to have been sourced over a prolonged period, with the progression of weathering, oxidation and leaching processes acting on the near surface projections of the primary mineralised plumes, to relocate and accumulate consequent of variation in REDOX conditions in the associated ground water flux. Complete oxidation can extend to 75 metres below surface but more commonly varies between 40 and 50 metres.

The secondary mineralisation forms a NNE-SSW elongate, greater than 2km long, near surface parallel wedge, which is thickest (>50m) near the source and although tapering rapidly, can be seen to persist in grade and depth, albeit shallow and thin, easterly for several hundred metres. Refer to Figure 2.

Diamond core drilling (DD) has tested the primary mineralisation to 220m below surface.

3. INDEPENDENT REPORTING

Burey engaged metallurgical consultants, Independent Metallurgical Operations Pty Ltd (“IMO”) early in 2008, to commence a comprehensive appraisal of the metallurgical character of the MGD mineralization. The representative +5tonne bulk sample for that work was obtained as HQ diamond core from holes MDD-001 to MDD-O17 primarily located for that purpose, with the core handled, processed and sealed, to assure the integrity of the metallurgical sample.

The metallurgical appraisal has recently been completed and indicates the MGD to have highly favourable leach characteristics.

Burey also engaged consultants Runge late in 2008 to complete an independent Mineral Resource estimate for the MGD after completion of an extensive drilling program. The Mineral Resource estimate complies with the recommendations of the Australian Code for Reporting of Mineral Resources and Ore Reserves (2004) issued by the Joint Ore Reserves Committee (JORC).

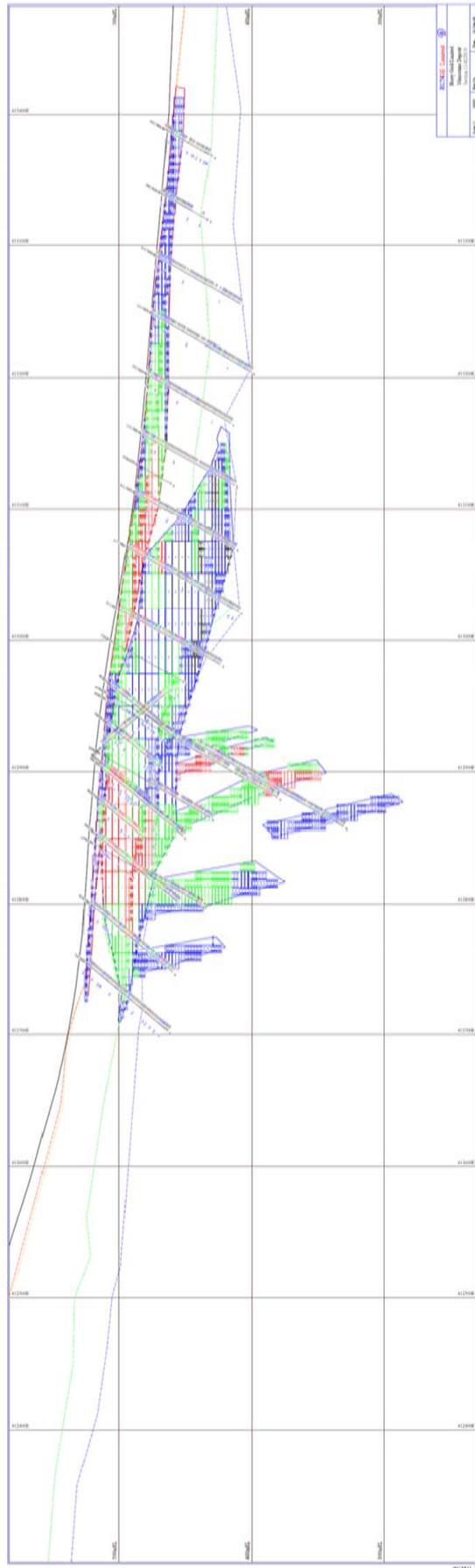


Figure 2 – MGD Resource block model on exemplary drill Section 1,148,200N.

3.1 Metallurgical Characterisation

The bulk of the programme of metallurgical test-work was undertaken by AMMTEC Ltd in Perth under the direction of Gary Jobson, assigned by Independent Metallurgical Operations Pty Ltd (IMO).

It was considered that because of the very high proportion of clay in the saprock, predominantly smectite and lesser kaolinite, the low quartz content and the very limited supply of hard-cap lateritic mineralisation present, consideration of the heap-leach route for processing would not be a viable option. Therefore, tests necessary for the appraisal of the processing of the MGD saprock using the CIL gold recovery process necessarily dominated the metallurgical test-work programme carried out on the seven (7) representative bulk composite samples recovered from holes MDD-001 to MDD-O17. Metallurgical determinations included their respective:

- Head Assay;
- Bond Ball-Mill Work Index;
- True SG determinations;
- Gold Distribution in crush sizes;
- Gravity recovery;
- Cyanide Leach-times of the various crush sizes; and
- Rheology testing.

In-situ bulk density determinations were also carried out on a sizable and representative number (159 samples) of individual drill core intervals.

In summary, the metallurgical test work indicates the gold in the MGD saprock has highly favourable leach characteristics for the recovery of gold via CIL/CIP circuitry.

3.2 Resource Estimate

Runge consider that the drilling, sampling and assaying procedures followed by Burey in compiling the resource sample data all conform to acceptable, well developed industry best practices and standards, and with the database validation carried out by the commercial assay laboratory and Runge confirming the integrity of the digital data.

3.2.1 Resource Estimation Process and Parameters

The MGD Mineral Resource was estimated in a standard Surpac block model using Ordinary Kriging (OK) grade interpolation. The interpolation was constrained by mineralisation envelopes prepared using a nominal 0.2g/t Au cut-off.

The resource block dimensions used in the model were 50m NS by 25m EW by 5m vertically with sub-cells of 12.5m by 6.25m by 1.25m. A high grade cut of 5g/t Au was applied to the composite data within the laterite and 7g/t Au was applied to composites in all other domains.

The resource estimate was completed using the following parameters:

- The MGD Mineral Resource covered the 3,700m extending from 1,145,750N to 1,149,450N with a vertical extent of 286m, from surface (highest point is 570m) to 284mRL.
- Drill holes used in the resource estimate included 17 diamond core, 176 RC and 51 RAB holes (for geological continuity) for a total of 8,558m within the resource wireframes.
- Holes in the resource were drilled on cross section spacings of approximately 100m NS with holes spaced 45m EW. Most drill holes were drilled at an angle of 50° or 60° to the west.

- Sample preparation and assay was carried out by Transworld Laboratories (Transworld) in Tarkwa, Ghana. Assaying for Au used the Bulk Leach Extractable Gold (BLEG) process and AAS analysis.
- RC and RAB holes were sampled at 1 metre intervals. A 7kg portion of the original sample was collected using a 2 tier riffle splitter. This entire sample was dried at the laboratory then pulped and pulverised to 95% passing 75µm and split to a 2kg sample to undergo a 24 hour bottle roll test in a saturated cyanide solution (part of the BLEG process).
- A blank sample or a standard was submitted every 20 samples and a field duplicate every 10 samples. A series of graphs were produced by Transworld showing the accuracy and repeatability of internal standards and blanks. A scatter plot of the laboratory's internal duplicate data was also produced by Transworld. These have been reviewed by Runge and the results considered to be satisfactory.
- All but the last 29 Burey drill-hole collars were surveyed using a DGPS. Down-hole surveys were carried out using an Eastman down-hole camera (Gold Fields) or Flexit digital down hole camera (BYR) with readings taken approximately every 40m down-hole.

3.2.2 Resource Classification

The MGD Mineral Resource is classified as Indicated where the laterite has been defined by 100m by 40m spaced drilling. The majority of the MGD Mineral Resource is Inferred, as a result of the sparse drill density and the lack of adequate definition of the primary high grade lodes.

The modelled resource remains open in a number of directions and excellent potential exists to substantially increase the defined resource. Some 70% of the resource tonnes and 71% of the resource ounces are contained in the near surface oxide domains.

The overall magnitude and grade of the mineralisation suggests that the project has reasonable prospects for eventual economic extraction should a low cost treatment process be availed.

The resource model is undiluted, so appropriate dilution needs to be incorporated in any evaluation of the deposit.

4. INTERNAL CONCEPTUAL STUDY

An Internal Conceptual Study, also undertaken with the assistance of IMO and, utilising the resource model pit shell data provided by Runge, was carried out to assist in consideration of Mining and Treatment Process options which may thereby suggest an optimal development path for the MGD.

The inherent cross-sectional geometry (Refer to [Figure 2](#)) of the MGD resource lends favourably to unusually low cost mining methods.

Mining would be in mineralisation from surface with minimal waste, and once below the thin (3m - 7m.) laterite crust, transform rapidly to soft clay rich saprock. The lateral uniformity and tenor of the saprock gold mineralisation would suggest an unusually wide spaced low cost grade control spacing would suffice for the most part and coupled with low energy paddock blasting, laser controlled elevator scraper mining to generate minimal waste inclusion and/or ore loss. It would avail the higher grade mineralisation in the upper slopes early in the mine life, and scrapers could work the slope with the assistance of gravity. Metallurgy indicates the gold leach from the saprock is favourable rapid and effective.

The potentially low cost of mining would be a positive factor for the development of the MGD, however, considerable work is required to properly assess project capital requirements and fixed operating costs. The primary MGD is open at depth and development of a lower tonnage higher grade portion of the MGD saprock resource would access the primary MGD mineralisation and readily enable its evaluation at reduced cost. Importantly, the saprock and primary MGD remains open to the south, where the southerly progression of drilling evidences persistence and incremental improvement in the grade.

Scope remains to add further tonnes at an improved grade to the south of the current drilled limits and the Company's immediate focus remains on adding to the resource base – refer Figure 3.

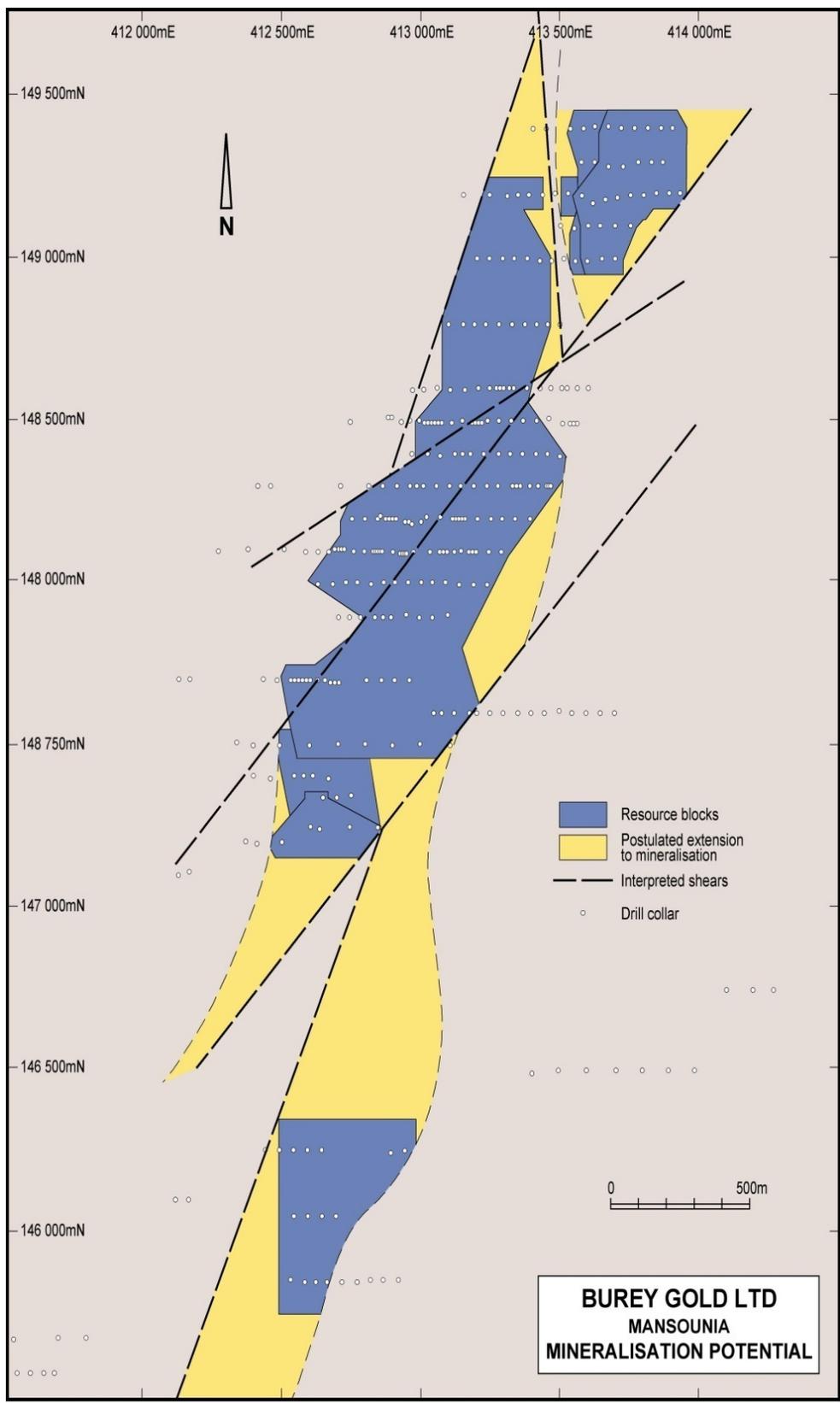


Figure 3

5. SUMMARY

Burey's Chairman, Mr. Ron Gajewski, stated:

“We are very pleased with the initial resource calculations for Mansounia. Although this resource is modest in grade, it is however very shallow and includes minimal internal waste and, as the mineralised system is well developed, the Company believes that an enhanced resource figure with an improved grade may result simply from the additional drilling required to test the system fully”.

“We are particularly encouraged by the initial metallurgical test-work which indicates that Mansounia mineralisation is very amenable to simple cyanide leach recovery. Further test-work will be required to allow preliminary calculations of gold recovery and thus project economics. Burey will undertake further drill testing of the project, along with testing of other significant targets within the 4 km long mineralised corridor, in an effort to increase resources and to complete initial economic modelling”.



Ron Gajewski
Chairman

The information in this report that relates to the Mineral Resource estimates is based on information compiled by Mr A Green of Runge Limited. Mr Green is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code). Mr Green and Runge Limited consent to the inclusion in the report of the matters based on their information in the form and context in which they appear.

Statements regarding the Company's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that the plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to convert Inferred resources to Indicated resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.