



BUREY GOLD

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NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Burey Gold Limited (“Burey” or the “Company”) will be held on Friday, 25 June 2010 at 2.30pm at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia.

AGENDA

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions;

1. Resolution 1 - Ratification of prior securities Issue

“That, in accordance with ASX Listing Rule 7.4, this meeting ratifies the issue of 10,467,500 ordinary fully paid shares at a price of \$0.04 each together with 10,467,500 free attaching options on 5 March 2010 to Perseus Mining Limited (“Perseus”), on the terms and conditions in the Explanatory Memorandum.”

2. Resolution 2 – Approval to enter into Subscription Agreement, issue Shares and Options and issue Shares on exercise of those Options

“That, for the purposes of section 611, item 7 and for all other purposes, the Company:

- (a) approves the entering into of an agreement (“Subscription Agreement”) between the Company and Perseus pursuant to which Perseus will invest in the securities of the Company amongst other matters, as more fully explained in the Explanatory Memorandum;
- (b) approves and authorises the Directors of the Company to issue 24,332,500 ordinary fully paid shares at a price of \$0.04 each together with 24,332,500 free attaching options to Perseus, on the terms and conditions in the Explanatory Memorandum;
- (c) approves and authorises the Directors of the Company to issue up to 34,800,000 “piggyback” options to Perseus on the exercise of the options referred to in Resolution 1 above and paragraph (b) of this resolution, on the terms and conditions in the Explanatory Memorandum: and
- (d) agrees to the acquisition by Perseus of up to 69,600,000 ordinary fully paid shares on the exercise of the options referred to in Resolution 1 above and paragraphs (b) and (c) of this resolution, on the terms and conditions in the Explanatory Memorandum.

and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice”.

Voting Exclusion

The Company will disregard any votes cast on resolution 1 and 2 by Perseus Mining Limited, or any of its associates. However, the Company will not disregard a vote if:

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

The Chairman of the Meeting intends to vote undirected proxies in favour of all the resolutions.

PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: 30 LEDGAR ROAD
BALCATTA, WESTERN AUSTRALIA 6021

Facsimile Number: (61 8) 9240 2406

Postal Address: P O Box 717
BALCATTA, WESTERN AUSTRALIA 6914

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as shareholders of the Company on 23 June 2010 at 5.00pm.

BY ORDER OF THE BOARD



S M Shah
Company Secretary
21 May 2010

Members who do not plan to attend the meeting are encouraged to complete and return a proxy form.

BUREY GOLD LIMITED

ABN 14 113 517 203

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Burey Gold Limited (“**Burey**” or the “**Company**”) in connection with the business to be conducted at the General Meeting to be held on Friday, 25 June 2010 at 2.30pm at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia.

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

2. BACKGROUND

The Company’s principal assets are mineral interests located in the Republic of Guinea, West Africa. The gold property, Mansounia has been the focus of the Company’s exploration activities since listing on the ASX in December 2006. Over the last 12 months however, Burey has acquired a number of minerals interests in the Kerouane District of Guinea, including Balatindi and Dion Koulai with further areas under application. Burey considers the Southern Kerouane permit areas and its environs highly prospective for polymetallic mineralisation with IOCGU [Iron Oxide Copper Gold Uranium], Unconformity Uranium and Sedex [Sedimentary Exhalative] styles of mineralisation. This opinion is based on an in-depth understanding of both the regional and local geology and the potential drivers of mineralisation.

On 3 March 2010, the Company announced a conditional agreement (“Subscription Agreement”) with Perseus Mining Limited (“Perseus”) for an equity financing package to assist with the exploration of all its Guinea properties. At the time negotiations were conducted and concluded, culminating in the Subscription Agreement, Perseus was not a related party and the negotiations were conducted and concluded on an arms length basis.

Upon completion of the issue of the securities the subject of Resolution 2, the parties will be deemed to have commenced a strategic alliance / relationship for the mutual benefit of both parties by leveraging each other’s strengths; Burey’s attractive strategic mineral interests in the Republic of Guinea, its comprehensive, highly developed technical expertise and its long established in-country exploration presence; and Perseus’s financial strength and management resources. As part of this alliance, the Subscription Agreement provides Perseus anti-dilution rights, a first right of refusal in relation to a sale or farm-out of Burey’s mineral interests and the right to provide technical input in exploration programmes. Further details are provided later in this Explanatory Memorandum.

Equity – Share Placement

Under the terms of the Subscription Agreement, Perseus agreed to subscribe for a total of 34,800,000 shares in Burey at an issue price of \$0.04 each for a total investment of \$1,392,000 as follows:

Tranche 1 – 10,467,500 shares and 10,467,500 accompanying options (“Initial Options”) for an amount of \$418,700 were issued under Burey’s discretionary capacity under the ASX listing rules. The issue of securities under Tranche 1 was completed on 5 March 2010.

Tranche 2 – Subject to shareholder approval at this General Meeting, Burey will issue a further 24,332,500 shares and 24,332,500 Initial Options for an amount of \$973,300.

The Initial Options will be exercisable at \$0.05 each with an expiry date of 30 June 2011. The Initial Options also carry a right to the issue of “piggyback” options (“Piggyback Options”) – ie if the Initial Options are exercised, then Perseus will be issued one Piggyback Option for each Initial Option exercised. Each Piggyback Option is exercisable at \$0.08 with an expiry date of 31 December 2012.

Following the issue of 10,467,500 Shares to it, Perseus holds approximately 6.95% of the Company’s total issued shares as at the date of this Notice.

Summary of Resolutions 1 and 2 – Transactions with Perseus

Resolution 1 seeks ratification of the 5 March 2010 issue of 10,467,500 shares and 10,467,500 Initial Options to Perseus, to replenish the Company's capacity to issue securities without prior Shareholder approval for the purposes of the ASX Listing Rules.

Resolution 2 seeks Shareholder approval for the entering into of the Subscription Agreement, the issue of 24,332,500 shares and 24,332,500 Initial Options to Perseus, the issue of up to 34,800,000 Piggyback Options if the Initial Options are exercised and for the allotment and issue of up to 69,600,000 shares to Perseus in the future if and to the extent the Initial Options and the Piggyback Options are exercised in accordance with their terms (collectively, the "Perseus Transaction").

3. RESOLUTION 1 – Ratification of Prior Securities Issue

General

On 3 March 2010 the Company announced a proposal to raise up to \$1,392,000 in new capital and, on 5 March 2010, part of that raising was completed through the issue of 10,467,500 shares and 10,467,500 Initial Options.

Resolution 1 seeks ratification by shareholders pursuant to ASX Listing Rule 7.4 of this securities issue.

Under ASX Listing Rule 7.1, a company may only issue a limited number of equity securities in any 12 month period. By issuing 10,467,500 shares and 10,467,500 Initial Options the Company used up substantially all of its 15% placement capacity.

The Company wishes to restore its 15% placement capacity and accordingly under ASX Listing Rule 7.4, seeks subsequent shareholder approval for that prior securities issue.

Specific Information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5 information is provided as follows:

- i. 10,467,500 shares and 10,467,500 Initial Options were issued on 5 March 2010.
- ii. The issue price of the shares was \$0.04 each.
- iii. The shares issued are fully paid ordinary shares in the Company. Each Initial Option is exercisable at \$0.05 each with an expiry date of 30 June 2011. The Initial Options also carry a right to the issue of "piggyback" options in the event that they are exercised. Each Piggyback Option is exercisable at \$0.08 with an expiry date of 31 December 2012. Detailed terms and conditions of the options are provided in Appendix A to this Notice.
- iv. 10,467,500 shares and 10,467,500 Initial Options were issued to Perseus Mining Limited. Perseus was not a related party at the time of issue of the securities.
- v. \$418,700 was raised from the issue of the securities for the purposes of funding exploration, working capital and general corporate purposes.

A voting exclusion statement is included in the Notice.

4. RESOLUTION 2 - Approval to enter into Subscription Agreement, issue shares and options and issue shares on exercise of those options (the Perseus Transaction)

The Company seeks shareholder approval of the Perseus Transaction, namely, the Company entering into the Subscription Agreement, the issue of 24,332,500 shares and 24,332,500 Initial Options to Perseus, the issue of up to 34,800,000 Piggyback Options if the Initial Options are exercised and for the allotment and issue of up to 69,600,000 shares to Perseus in the future if and to the extent the Initial Options and the Piggyback Options are exercised in accordance with their terms (collectively, the “Perseus Transaction”).

Reasons for the Resolution

The relevant section of the Corporations Act or Listing Rule for which each Resolution is required to be passed is set out in the body of that Resolution. The effect of each relevant provision of the Act and Listing Rule is as follows:

- (a) **Section 611, Item 7 of the Corporations Act** – Section 606 of the Corporations Act provides that, subject to limited specified exemptions, a person must not acquire a relevant interest in issued voting shares in a company, if as a result of the acquisition any person’s voting power in the company would increase from 20% or below to more than 20%.
- (b) In broad terms, a person has a relevant interest in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person’s voting power in a company is the number of voting shares in which the person (and its associates) has a relevant interest holds compared with the total number of voting shares in a company.

The increase in Perseus’s voting power on account of the proposed issue of shares, options and further shares on the exercise of those proposed options would breach Section 606(1) of the Corporations Act in the absence of an applicable exception.

However, Section 611 Item 7 of the Corporations Act provides an exemption to this prohibition. Section 611 Item 7 allows a party to acquire a relevant interest in shares that would otherwise be prohibited under Section 606 if the proposed acquisition is approved in advance by a resolution passed at a general meeting of shareholders of the Company: and

- (i) no votes are cast in favour of the Resolution by the proposed acquirer (Perseus) or its associates; and
 - (ii) there was full disclosure of all information that was known to the person proposed to make the acquisition or its associates or known to the Company that was material to a decision on how to vote on the Resolution.
- (c) **Listing Rule 7.1** – Listing Rule 7.1 requires the prior approval of Shareholders if a company proposes to issue in any 12 month period equity securities exceeding 15% of its ordinary securities on issue at the commencement of the 12 month period. However Listing Rule 7.2 (exception 16) provides an exception from the operation of rule 7.1 where approval is sought under Section 611, Item 7.

The following information is provided in compliance with Section 611, Item 7 of the Act and ASIC Regulatory Guide 74 (in respect of acquisitions to be approved by the Shareholders in accordance with Section 611, Item 7 of the Act).

Identity of the Acquirer:

Perseus Mining Limited (ACN 106 808 986), a company registered in Australia is the acquirer of securities in Burey.

Perseus is a public company whose shares are listed for trading on the Australian Securities Exchange (since September 2004) and the Toronto Stock Exchange (since February 2010). Perseus is an emerging gold producer with mineral interests in Ghana and Côte d'Ivoire, West Africa. In March 2010, it was included in the S&P / ASX 200 index and, as at the date of this Notice, its market capitalisation is just over \$750 million.

Perseus is awaiting final environmental approvals prior to commencement of construction of a gold plant at its Central Ashanti Gold Project in the Central Ashanti region of Ghana later during this quarter. It anticipates gold production to commence in the 3rd quarter of 2011 at an annual rate of approximately 220,000 ounces with a ten year mine life in the existing feasibility study. However, with resources in excess of 5m ounces (of which 2.14m ounces are presently in the Mineral Reserve category) and both infill and new drilling taking place at a rapid rate, Perseus is targeting an increase in reserves and mine life.

Perseus is also undertaking a Definitive Feasibility Study (DFS) at its Tengrela Gold Project in northern Côte d'Ivoire within the prolific Syama-Boundiali greenstone belt. The DFS is anticipated to be completed towards the end of this calendar year. The last published resource of 865,000 ounces is expected to be updated as part of the DFS.

Perseus has other less well advanced gold projects in Ghana and Côte d'Ivoire.

Further information in relation to Perseus is available from its website, www.perseusmining.com and its public announcements from www.asx.com.au and www.sedar.com.au.

Shares to which Perseus will be entitled immediately before and after the allotment:

The voting power of Perseus and its associates after the issue of 10,467,500 shares (as per Resolution 1) moved from 0% to approximately 6.95%.

Table 1

Burey's current capital structure	
Fully paid ordinary shares	150,636,503
Options exercisable at 5 cents each and expiring on 30 June 2011	84,400,000
Options exercisable at 5 cents each and expiring on 30 June 2011 (held by Perseus)	10,467,500
Options exercisable at 5 cents each and expiring on 31 December 2012	7,260,000

The following table (Table 2) illustrates the effect on Perseus's voting power and increase in its voting power upon completion of the share issue contemplated under Resolution 2 (b).

Table 2

	Current Voting Power (i)	On completion of share issue referred to in Resolution 2(b) (24,332,500 shares)	
		Increase in Voting Power	Voting Power (ii)
Perseus	6.95%	12.94%	19.89%
Perseus & Associates	6.95%	12.94%	19.89%

(i) Based on a shareholding of 10,467,500 shares (as a % of 150,636,503 total shares on issue).

(ii) Based on a shareholding of 34,800,000 shares (as a % of 174,969,003 total shares on issue).

The following table (Table 3) illustrates the effect on Perseus's voting power and increase in its voting power if it were to exercise all of the Initial Options issued to it and referred to in Resolution 1 and Resolution 2(b) (34,800,000 Initial Options) and **assuming no other securities are issued by the Company and none of the other options on issue are exercised.**

Table 3

		On exercise of Initial Options by Perseus (34,800,000 shares)	
	Voting Power (i)	Increase in Voting Power	Voting Power (ii)
Perseus	19.89%	13.29%	33.18%
Perseus & Associates	19.89%	13.29%	33.18%

(i) Based on a shareholding of 34,800,000 shares (as a % of 174,969,003 total shares on issue – refer Table 2 above)

(ii) Based on a shareholding of 69,600,000 shares (as a % of 209,769,003 total shares on issue).

Perseus's Initial Options (34,800,000) have an exercise price of 5 cents and an expiry date of 30 June 2011. Burey already has on issue 84,400,000 options (held by others) with the same exercise price and expiry date. Logically, therefore, if Perseus exercises its Initial Options, it is reasonable to assume that the holders of the 84.4m options will also choose to exercise their options. The following table (Table 4) illustrates the effect on Perseus's voting power if it were to exercise all of the Initial Options issued to it and referred to in Resolution 1 and Resolution 2(b) (34,800,000 Initial Options) and **assuming no other securities are issued by the Company but assuming the 84,400,000 options presently on issue and held by other holders are also exercised.**

Table 4

		On exercise of Initial Options by Perseus (34,800,000 shares) and assuming 84.4m other options are also exercised	
	Voting Power (i)	Increase in Voting Power	Voting Power (ii)
Perseus	19.89%	3.74%	23.63%
Perseus & Associates	19.89%	3.74%	23.63%

(i) Based on a shareholding of 34,800,000 shares (as a % of 174,969,003 total shares on issue – refer Table 2 above)

(ii) Based on a shareholding of 69,600,000 shares (as a % of 294,569,003 total shares on issue).

If and when Perseus exercises its Initial Options, it will be issued 34,800,000 Piggyback Options.

The following table (Table 5) illustrates the effect on Perseus's voting power and increase in its voting power if it were:

(i) to exercise all of the Initial Options issued to it and referred to in Resolution 1 and Resolution 2(b) (34,800,000 Initial Options): and

(ii) to exercise all of the Piggyback Options issued to it and referred to in Resolution 2(c), **assuming no other securities are issued by the Company and none of the other options on issue are exercised.**

Table 5

		On exercise of Initial Options and Piggyback Options by Perseus (69,600,000 shares)	
	Voting Power (i)	Increase in Voting Power	Voting Power (ii)
Perseus	19.89%	22.8%	42.69%
Perseus & Associates	19.89%	22.8%	42.69%

(i) Based on a shareholding of 34,800,000 shares (as a % of 174,969,003 total shares on issue – refer Table 2 above)

(ii) Based on a shareholding of 104,400,000 shares (as a % of 244,569,003 total shares on issue).

As explained earlier, Burey already has on issue 84,400,000 options exercisable at 5 cents, with an expiry date of 30 June 2011. It also has 7,260,000 options on issue exercisable at 5 cents, with an expiry date of 31 December 2012.

If Perseus exercises its Initial Options, it is reasonable to assume that the holders of the 84.4m options will also choose to exercise their options. Similarly, if Perseus exercises its Piggyback Options, it is reasonable to assume that the holders of the 7.26m options will also choose to exercise their options. The following table (Table 6) illustrates the effect on Perseus's voting power and increase in its voting power if it were:

- (i) to exercise all of the Initial Options issued to it and referred to in Resolution 1 and Resolution 2(b) (34,800,000 Initial Options): and
- (ii) to exercise all of the Piggyback Options issued to it and referred to in Resolution 2(c), ***assuming no other securities are issued by the Company but assuming the 84,400,000 options and 7,260,000 options presently on issue and held by other holders are also exercised.***

Table 6

On exercise of Initial Options and Piggyback Options by Perseus (69,600,000 shares) and assuming 91.66m other options are also exercised			
	Voting Power (i)	Increase in Voting Power	Voting Power (ii)
Perseus	19.89%	11.16%	31.05%
Perseus & Associates	19.89%	11.16%	31.05%

(i) Based on a shareholding of 34,800,000 shares (as a % of 174,969,003 total shares on issue – refer Table 2 above)

(ii) Based on a shareholding of 104,400,000 shares (as a % of 336,229,003 total shares on issue).

In summary, Perseus's voting power could be in the range 19.89% (following the issue to it of 24.3m shares under Resolution 2(b)) to 42.69% (if Perseus exercises all its Initial Options and Piggyback Options and no other shares are issued by the Company) as illustrated by the above tables.

In addition to the information requirements set out in Section 611, Item 7 of the Act, ASIC has indicated in ASIC Regulatory Guide 74 that this Explanatory Memorandum should include a statement from Perseus as to its intentions regarding the future of the Company if shareholders agree to the proposal.

Perseus's Intentions:

Perseus has given the following information to the Company to assist it to meet its responsibilities under ASIC Regulatory Guide 74. The information is based on Perseus's current awareness of the financial and strategic position of the Company. The Company takes no responsibility for any omission from, or any error or false or misleading statement in this section. Perseus makes no statement or representation in relation to the Company, or Perseus's intentions in respect of the Company, which may change if it becomes aware of information that is not currently available to it, except as set out below.

If Shareholders pass Resolution 2 and the issue of Initial Options and Piggyback Options occurs:

(a) Business of Burey:

Perseus has no intention to change the Company's business as conducted by the current management of the Company and otherwise outlined in this Explanatory Memorandum.

(b) Financial and dividend policies:

Perseus does not intend to change the financial and dividend policies of the Company.

(c) Injection of capital:

Other than its existing 6.95% shareholding in Burey proposed to increase to 19.89% (refer Table 2 above), and pursuant to the possible exercise of the Initial Options and Piggyback Options, if deemed appropriate, Perseus has no present intention of injecting further capital into the Company.

(d) Redeploy fixed assets:

Perseus does not intend to redeploy fixed assets of the Company.

(e) Transfer of property:

Perseus does not propose to transfer any property between the Company and Perseus or any person associated with Perseus.

(f) Present employees:

Except as set out in paragraph (g), below, Perseus does not intend to seek any changes in relation to the future employment of current employees of the Company.

(g) Directors:

Under the terms of the Subscription Agreement Perseus has the right to nominate one representative as a non-executive director to the Board of the Company.

Anti-Dilution Rights:

Subject to ASX granting a waiver from listing rules which ordinarily prohibit such anti-dilution rights and Perseus's holding of shares in Burey being at least 12.5% of total issued shares, Burey has granted Perseus anti-dilution rights ("Top-Up Right") entitling it to participate in any future equity capital raising by Burey to maintain its proportionate shareholding.

Perseus will be entitled to participate in any securities issue by Burey on the same terms that are offered to other investors provided that Perseus will be entitled to participate in the securities issue in the proportion that would ensure that *Perseus's Diluted Proportionate Shareholding* (refer to Appendix B for details) immediately prior to the securities issue is identical to Perseus's Diluted Proportionate Shareholding immediately following the securities issue. Perseus's top-up right does not extend to the issue of securities under Burey's Employee Option Plan or similar employee incentive schemes (to the extent that the number of shares issued pursuant to the conversion or exercise of such options in any 2 year period does not exceed 5% of the issued share capital of Burey).

At the date of this Notice, application has been made to ASX for the grant of a waiver from listing rules to permit the Top-Up Right to be effective. If a waiver is granted by ASX, it may be subject to various terms including but not limited to the following:

(a) The Top-Up Right lapses if the strategic relationship between the Company and Perseus ceases or changes in such a way that it effectively ceases.

(b) Any securities issued under the Top-Up Right are offered to Perseus for cash consideration that is either of the following.

(i) No more favourable than cash consideration offered by third parties (in the case of issues of securities to third parties for cash consideration); or

(ii) Equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).

Perseus's First Right of Refusal:

Subject to Perseus holding more than 12.5% of Burey's total issued shares, Perseus shall have the first right of refusal in relation to the sale or farm-out of any mineral interest owned in West Africa by Burey or its subsidiaries.

Perseus's Right to nominate a Director:

Subject to Perseus holding more than 12.5% of Burey's total issued shares, Perseus shall have the right to nominate one individual as a director of Burey. The directors of Burey undertake to appoint any such nominee as long as the individual is otherwise a fit and proper person for the role.

Perseus's Right to provide Technical Input:

Subject to Perseus holding more than 12.5% of Burey's total issued shares, Perseus shall have the right to provide technical input into exploration and development programs concerning any mineral interests held by Burey in West Africa. Burey undertakes to give Perseus reasonable notice about planned programs and shall give Perseus a reasonable opportunity to provide input into any such planned programs.

Break Fees:

If Burey fails to receive shareholder approval for Resolution 2 at this Meeting (and prior to 30 June 2010), the Subscription Agreement shall come to an end and Burey will be required to pay Perseus a break fee of \$80,000.

Independent Expert's Report:

Part of the purpose of Resolution 2 is to enable Shareholders to consider a resolution in accordance with Section 611, Item 7 of the Corporations Act which, if passed, will permit Perseus to acquire further shares and options and shares on exercise of those options, thereby increasing its voting power in the Company to the maximum extent specified elsewhere in this Explanatory Memorandum, without contravening Section 606 of the Corporations Act.

ASIC requires that shareholders who are being asked to consider a proposal to pass a resolution under Section 611, Item 7 of the Corporations Act be provided with an analysis of whether the proposal is fair and reasonable when considered from the perspective of the shareholders of the Company other than Perseus (and its associates).

Directors may satisfy their obligations to provide an analysis and a valuation by those Directors not associated with the proposal by commissioning an independent expert's report.

The Directors have commissioned Stantons International Pty Ltd (trading as Stantons International Securities) (the "Independent Expert") to prepare the Independent Expert's Report to analyse the proposal. The Independent Expert's Report is set out in full in the Annexure to this Explanatory Memorandum. Shareholders should read the full text of the Report to assist them in determining how they wish to vote in respect of the Resolution.

The purpose of the Independent Expert's Report is to analyse whether the proposal set out in Resolution 2 is fair and reasonable when considered from the perspective of the Shareholders other than Perseus and its associates and to value the benefit given to Perseus.

The Independent Expert is required to:

- determine whether the proposed transaction is fair and reasonable to non-participating shareholders;
- give an opinion on whether any person will receive any premium for control of the Company as a result of the proposal;
- explain fully the benefits of the proposal;

- consider whether the proposal, if agreed to, may deter the making of a takeover bid for the Company; and
- address in its report any other information it believes is material to shareholders decision on the proposal.

For the purposes of valuation of the benefit, the Independent Expert is required to set out the principal assumptions behind the valuation.

In summary, the Independent Expert's Report concludes that the issuance of shares to Perseus on the possible exercise of the options under the terms of Resolution 2 resulting in Perseus's voting power increasing to a level greater than 20% is on balance fair and reasonable, having regard to the interests of the shareholders of the Company other than Perseus and its associates.

Directors' Recommendation

Each of Mr Ron Gajewski, Mr Bruce Stainforth, Mr Nigel Ferguson, and Mr Susmit Shah, being all the Directors of the Company, recommend that shareholders vote in favour of Resolution 2, because:

- The further investment by Perseus will enable Burey to fund continued exploration activities in Guinea at a time when it is relatively difficult for small explorers to attract equity capital, particularly given the sovereign risk profile in Guinea.
- Perseus has established a solid reputation as a gold explorer in West Africa. It anticipates going into production by the 3rd Quarter of 2011 at its Central Ashanti Gold Project in Ghana and generating revenues. In the course of its due diligence and negotiations with respect to the Subscription Agreement, Perseus acknowledged that Guinea is a highly favourable geological setting for the discovery of significant gold deposits. Perseus also made it clear that its management and technical resources are stretched with its existing Ghana and Côte d'Ivoire properties. Therefore it sees its Burey investment as an entry in to Guinea without tying up its own resources. Whilst Perseus has made no commitments in that regard, given the Top-Up right that it will hold (subject to ASX waiver) it stands to reason that, subject to continuing exploration success on Burey's Guinea properties, Perseus could be a provider of further capital in the future.
- As explained elsewhere in the Explanatory Memorandum, Perseus has a substantial presence in Ghana and Côte d'Ivoire, both in reasonable proximity to Guinea. Perseus has established well credentialed technical teams and has a history of exploring successfully in West Africa. Under the Subscription Agreement, Perseus has a right to provide technical input into exploration programmes and has clearly indicated its willingness to assist Burey in high level technical reviews and exploration programme logistics. This assistance will be invaluable.
- Over the past few months prior to announcing the Perseus Transaction, the Directors had considered various other alternatives to procure funding for the continued exploration of the Guinea properties. It is fair to say that the unsettled political situation over the past few months has been a disincentive for prospective investors. Towards the end of last calendar year, this situation also adversely impacted on the Company's on-ground exploration activities. With its history of operating successfully in West Africa, Perseus is more tolerant of the risk profile. The Directors are satisfied that the transaction negotiated with Perseus provides an excellent outcome for the Company in the circumstances.

For Perseus to acquire a shareholding of greater than 20% in Burey it must exercise its Initial Options. These Initial Options are exercisable at \$0.05 until 30 June 2011 and represent a premium of approximately 14% of the \$0.044 closing market price of Burey shares immediately prior to the announcement of the Perseus transaction. Over the one month prior to announcement of the Perseus Transaction, the Burey shares traded at an average of around \$0.04 (and traded as low as \$0.026 as recently as December 2009) and thus the exercise price of the Initial Options represents a premium of just under 25%. Lately and at the time of completing the preparation of this Explanatory Memorandum, the Company's shares have been trading at around \$0.057 each. Whilst numerous factors affect share prices of listed companies, it is possible that if the shareholders do not approve the Perseus Transaction, the Company's share price may shed some or all of its recent gains.

If all the Initial Options and Piggyback Options are exercised, just over \$4.5 million in additional funding

would be generated for Burey. Burey has not paid any brokerage or other fees in connection with the Perseus Transaction, nor will it incur any costs if the Initial Options and Piggyback Options are exercised.

Accordingly, all Directors of the Company consider that it is in the best interests of the Company and all shareholders, including all shareholders other than Perseus and its associates, that Resolution 2 be passed.

The following disadvantages may also arise if the proposed Perseus Transaction is approved:

The collective interest in the Company of shareholders other than Perseus and its associates will be diluted from the current level of 93.05% to possibly as low as 57.31%, as will their share of any future earnings generated by the Company (assuming the maximum possible dilution which will ultimately depend on the extent to which the Initial Options and Piggyback Options are exercised).

The likelihood of a takeover offer for the Company might be reduced by the introduction of a new major shareholder.

However, all Directors consider that the disadvantages if Resolution 2 is passed as outlined above are significantly outweighed by the benefits if the Resolution is passed.

ASX Listing Rules

The following additional information is provided for the purpose of Listing Rules:

- (a) 24,332,500 ordinary fully paid shares at a price of \$0.04 each together with 24,332,500 free attaching options, the subject of Resolution 2, will be issued on a single date no later than three months after the date of this Meeting.
- (b) The securities will be issued to Perseus Mining Limited.
- (c) As explained elsewhere, the funds from the issue of securities the subject of Resolution 2 will be used for funding exploration activities, general working capital and corporate overheads.

A Voting Exclusion Statement – Please refer to the Notice of Meeting for details of the voting exclusion for Resolution 2.

Cautionary Notes

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

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

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

APPENDIX A
TERMS AND CONDITIONS OF OPTIONS (RESOLUTION 1 & 2)

Option Terms and Conditions

- a) Each Option entitles the holder to subscribe for and be allotted one Share. The exercise price of each Option is \$0.05.
- b) The Options are exercisable at any time prior to 5.00pm WST on 30 June 2011 ("the Expiry Date") by notice in writing to the Directors accompanied by payment of the exercise price as detailed in (a) above.
- c) The Options are transferable, but no application will be made to the ASX for Official Quotation of the Options.
- d) Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.
- e) All Shares issued upon exercise of the Options will rank pari passu in all respects with Burey's fully paid ordinary shares. Burey will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three business days after the date of allotment of those Shares.
- f) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options. However, Burey will send a notice to the optionholder at least nine business days before the record date for any proposed issue of capital on a pro-rata entitlement offer basis. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- g) There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by Burey prior to the exercise of any Options.
- h) In the event of any reorganisation of the issued capital of Burey on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.
- i) Burey will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.
- j) For each Option exercised by the optionholder on or before the Expiry Date, Burey will issue a "piggyback option". Piggyback options will have the same terms and conditions as (a) to (i) above, except that the exercise price of each piggyback option will be \$0.08 and the expiry date of each piggyback option will be 31 December 2012.

APPENDIX B

“**Perseus’s Diluted Proportionate Shareholding**” means at any particular time, Perseus’s diluted proportionate shareholding in Burey determined as a percentage by applying the following formula:

$$\% = A / B \times 100$$

where:

A = the aggregate of:

- (a) those Shares that are issued by Burey to Perseus under the Subscription Agreement (including upon exercise of the options issued to Perseus); and
- (b) those Shares that would be issued to Perseus upon the exercise of all options held by Perseus that have not been exercised by Perseus at the time of determining Perseus’s Diluted Proportionate Shareholding,

B = the aggregate of:

- (c) all issued Shares; and
- (d) all Shares that would be issued by Burey upon the exercise or conversion of any Burey securities that are exercisable or convertible at the time of determining Perseus’s Diluted Proportionate Shareholding (including all outstanding options) but have not been exercised or converted at that point in time.

Example for Illustration Purposes only

Assuming shareholder approval is received for the issue of 24,332,500 shares and 24,332,500 accompanying options to Perseus under Resolution 2(b) and those securities are issued to Perseus, Perseus’s Diluted Proportionate Shareholding immediately thereafter would be as follows:

	Perseus’s holding	Total on issue
Fully paid ordinary shares	34,800,000	174,969,003
Options	34,800,000	126,460,000
Fully diluted securities	69,600,000	301,429,003
	(i)	(ii)
Perseus’s Diluted Proportionate Shareholding = (i) ÷ (ii)	23.09%	