



BUREY GOLD

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29 January 2016

DECEMBER 2015 QUARTERLY ACTIVITY REPORT

Burey Gold Limited (ASX: BYR) reports its activities and corporate developments for the quarter ended 31 December 2015.

HIGHLIGHTS

- 2,440 metre diamond drill programme commenced at the Giro Gold Project, Democratic Republic of Congo
- 1,532 metres from 7 diamond holes completed at Kebigada Shear Zone and Giro vein
- Drilling at Giro vein completed in early January 2016
- Strong silica alteration with pyrite intersected over significant widths in all holes at Kebigada
- Visible gold identified in two holes at Kebigada and one hole at Giro vein
- Drilling designed to test the vertical extent and identify structural controls on mineralisation
- Currently conducting first pass of drilling at Adoku
- Soil sampling and mapping programmes continued along the NNW-trending structural corridor throughout the quarter to identify new areas of gold mineralisation
- First results from diamond drilling programme expected middle of March Quarter.

Plans for the March 2016 Quarter

- Analysis of diamond drilling results
- Diamond drilling at Peteku, Adoku and Mangote prospects

- Complete soil sampling over the 30km NW trending structural corridor to identify the source of alluvial gold currently being mined by artisanal miners along the corridor.
- Continue with upgrading camp facilities

GIRO GOLD PROJECT, DEMOCRATIC REPUBLIC OF CONGO (Burey 55.25%)

Giro Prospect

Burey commenced a diamond drilling programme on its Giro Project in north-east DRC, central Africa in early December. Five diamond holes were planned to test the continuity of gold mineralisation at depth below recent reverse circulation (RC) drilling at the Kebigada Shear Zone. The drilling also aimed to define structural controls on mineralisation and define any plunge component associated with the intersection of the two dominant structural trends identified in the IP survey. Two holes were also planned to intersect the Giro Vein which was mined previously during Belgian colonial rule at depth. Additional holes will test the mineralised potential of the Peteku and Adoku workings and will confirm the true mineralised widths and grades of open pits and adits mined by the Belgians at Mangote.

Five holes were completed for 1,221 metres at the Kebigada Shear Zone. Comparison of drill core and RC drill chips from adjacent holes show that a strong correlation exists between gold mineralisation and silica flooding and pyrite and occasional narrow quartz veins and stringers. Pyrite is either disseminated or occurs as fine laminae parallel to the foliation which is perpendicular to the orientation of the drill holes. Specks of visible gold were noted along quartz filled fractures in 2 holes at Kebigada as shown in Figure 1.



Figure 1. Specks of free gold at the intersection of two fractures in GRDD003. Note association of strong silicification and disseminated pyrite.

All holes intersected at least one broad zone of silica alteration and pyrite mineralisation often exceeding thicknesses of 100m and depths of 200 vertical metres showing continuity at depth. Hole GRDD002 was drilled under artisanal and Belgian workings in the laterite. Here the alteration was

only intersected in the bottom 50m confirming the NNW orientation of the Kebigada structure. Two zones were intersected in GRDD005 which ended in mineralisation at 361m due to rig limitations.

The alteration zones are typically hosted in volcanoclastic breccias and tuffs which appear to fine into grits and finer grained tuffs and sediments to the northeast. A series of barren NNW trending dykes were intersected in all diamond holes across the Kebigada Shear Zone with hole GRDD002 being stopped prematurely in one of these dykes. Dykes are generally less than 3-5m true width. Drilling will cover 400m of the defined 1 km strike extent of the shear zone and more than 400m across the structure.

Two holes for 310 metres were drilled to intersect the Giro vein mined by the Belgians at roughly 100m depth. Drilling was completed during the first two weeks of January 2016. Mineralisation is typically within a sheared, mylonitic zone with narrow quartz veins. Visible gold was also noted in GRDD007 as shown in Figure 2. The shear is hosted within a sedimentary package in which pebbles show considerable stretching from structural deformation processes in the area. Drill hole parameters at Kebigada and Giro vein are shown in Table 1.



Figure 2. Free gold within a quartz stringer in GRDD007 drilled under the Giro vein.

Samples from the first two holes at Kebigada were submitted to ALS Chemex in Mwanza for assay with results expected mid-February. Results from all diamond holes drilled at both Giro prospects are expected before the end of the March Quarter.

Diamond hole traces are shown in Figure 3 where drilling was focused on several high-grade zones defined within the broader lower-grade envelope of mineralisation.

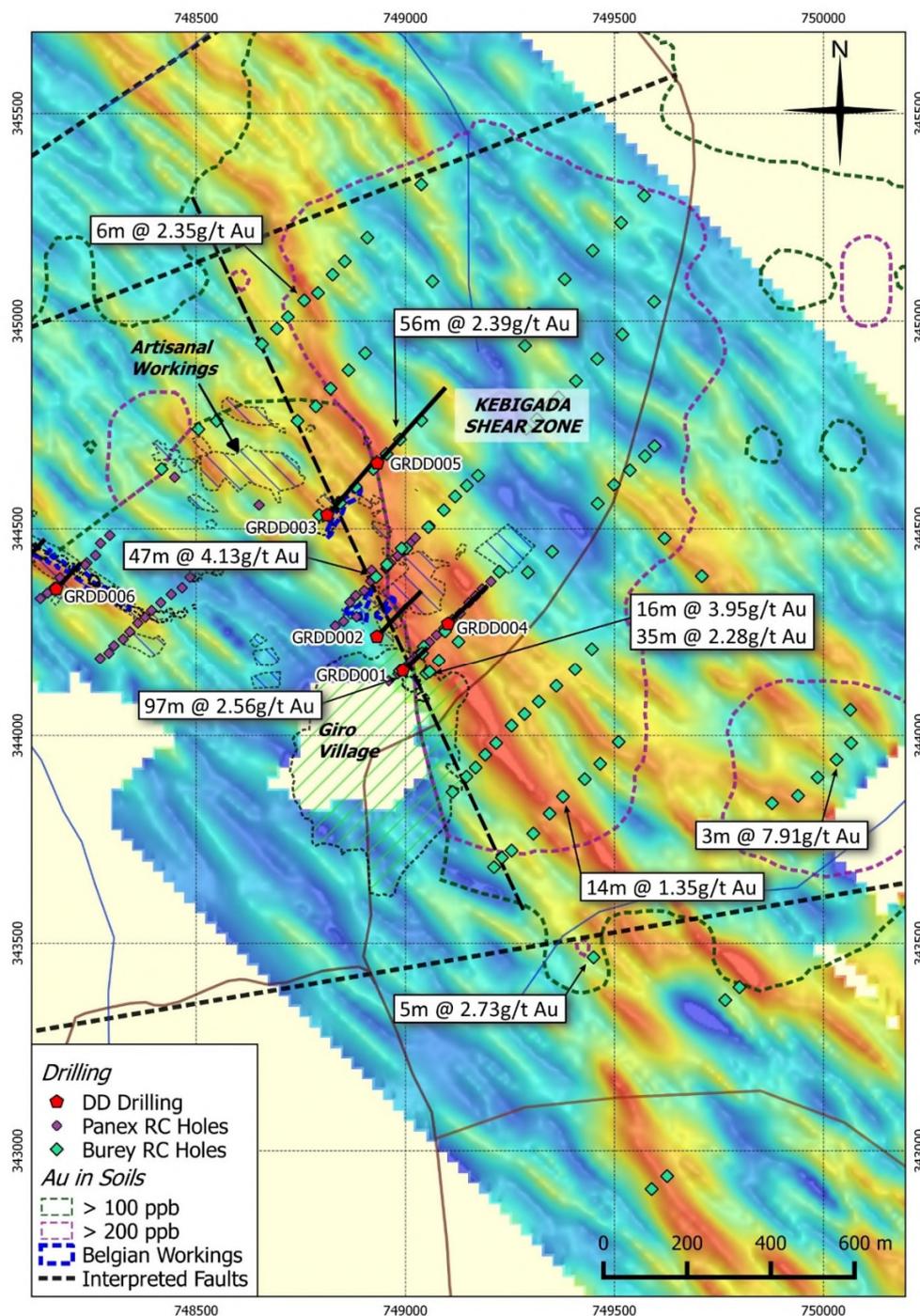


Figure 3 – IP chargeability map showing results from RC drilling and diamond drill hole traces.

Table 1: Summary of Diamond Drilling completed on Giro Prospect

| Hole ID | Easting | Northing | RL | Azimuth | Dip | EOH | Prospect |
|---------|---------|----------|-----|---------|-----|-------|-----------|
| GRDD001 | 748994 | 344157 | 868 | 43 | -60 | 157.3 | Kebigada |
| GRDD002 | 748932 | 344240 | 865 | 43 | -50 | 235.1 | Kebigada |
| GRDD003 | 748813 | 344533 | 860 | 43 | -50 | 271.6 | Kebigada |
| GRDD004 | 749102 | 344271 | 870 | 43 | -50 | 196 | Kebigada |
| GRDD005 | 748933 | 344658 | 861 | 43 | -50 | 361.1 | Kebigada |
| GRDD006 | 748165 | 344355 | 855 | 43 | -60 | 160.5 | Giro Vein |
| GRDD007 | 748083 | 344416 | 854 | 43 | -60 | 150 | Giro Vein |

During the Quarter (refer announcement dated 2 December 2015), Burey also received all results from the recently completed RC programme at Giro with the best of the final results including:

- GRRC133 **5m at 2.73g/t Au** from 15m
- GRRC135 **14m at 1.35g/t Au** from 38m
- GRRC152 **6m at 2.35g/t Au** from 4m.

The ongoing diamond drilling programme will determine the mineralised depth potential of the Kebigada Shear Zone.

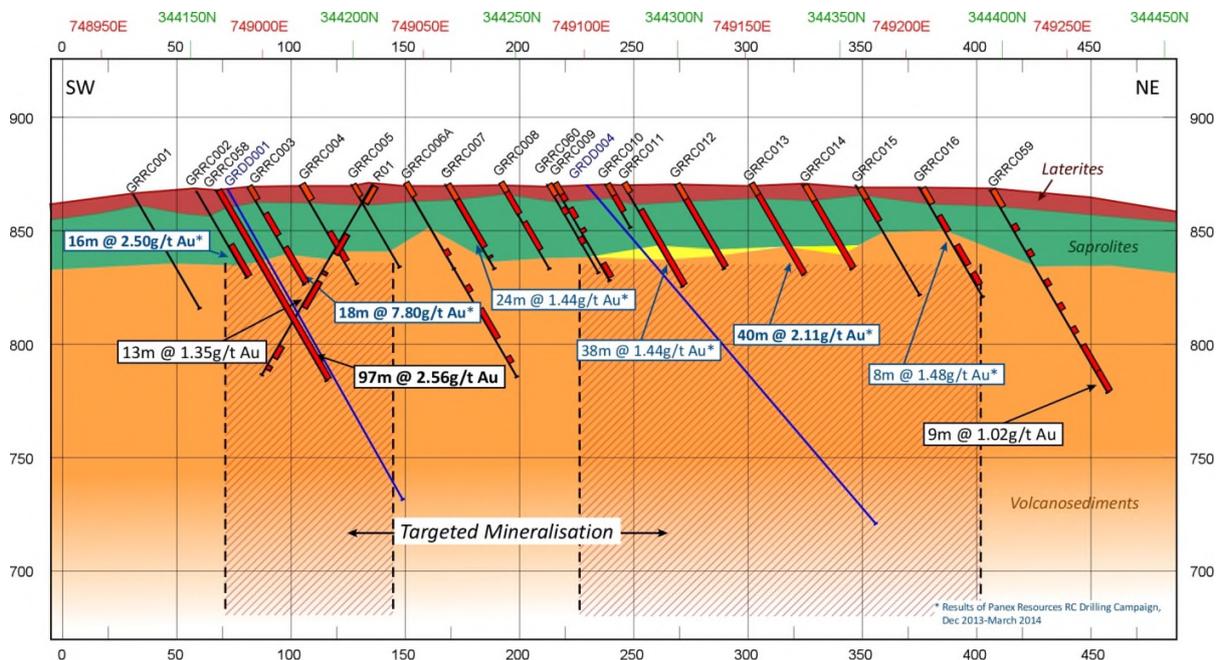


Figure 4: Section along Line 1, showing RC drilling and diamond drill coverage at depth

Peteku

Following a recent visit to the project, the Peteku drilling programme has been reduced to two holes for 200m. Artisanal miners have focused their operations on a >1km ESE trending shear within the Peteku granite. The shear continues across the bordering BIF where a soil anomaly of 2g/t Au was reported. An infill soil sampling programme has been planned and additional drilling will only be conducted in the area once results for the soil samples have been reported. The Belgians mined high-grade quartz veins and siliceous shears at Peteku. Channel sampling has returned a best intercept of 4m at 21.74g/t Au.

Adoku

Channel samples at Adoku were collected from strongly limonitic, quartz veined and stock-worked saprolite exposed in two artisanal pits. Numerous Banded Iron Formation (BIF) clasts within the overburden supports BIF development in the target area. Mineralisation is potentially associated with shearing and hydrothermal fluid flow along structures parallel to the younger granite contact immediately to the south of the Adoku target. Channel sample results collected from 2 artisanal pits included 3m at 8.06g/t Au, 3m at 2.90g/t Au and 2m at 9.67g/t Au from vertical channel samples and 4m at 2.60g/t Au, 4m at 9.43g/t Au and 4m at 1.77g/t Au from horizontal channel samples. Shearing and quartz veining in the pits have a dominant WSW-ENE trend suggesting horizontal samples collected from the WSW-ESE orientated pit walls are sub-parallel to mineralisation.

The Company was able to build an access road to the area as shown in Figure 5 and will drill 2 to 3 reconnaissance diamond holes under the predominantly lateritic workings.



Figure 5: Access preparation across a swamp to reach Adoku workings.

Tora

Burey is undertaking an extensive soil sampling and mapping program at Tora on PE5049 to identify the source of mineralisation being mined by local artisanal miners, as well as additional targets within the west-east trending structures parallel to the younger gneiss contact zone near Tora. Recent channel sampling has confirmed a halo of lower-grade mineralisation but no wall rock was sampled.

Three holes for 500m have been planned at Mangote and are designed to cover the open pit and underground workings mined during Belgian colonial rule and will extend across a broad 400m shear zone where artisanal miners have exposed a number of parallel mineralised structures. Previously only quartz veins were mined in the area where historic drilling results included 0.6m at 37g/t Au and 0.35m at 485g/t Au. Field crews are currently working on an access road to the area with drilling expected to commence within two weeks.

Planned work for March 2016 Quarter

- Analysis of diamond drilling results from Giro prospect
- Diamond drilling at Peteku, Adoku and Mangote prospects
- Complete soil sampling over the 30km NW trending structural corridor to identify the source of alluvial gold currently being mined by artisanal miners along the corridor
- Continue with upgrading camp facilities

BALATINDI PROJECT (Burey 75%, Government 15%, Vendor 10%)

The Balatindi Project is located in east Guinea within a broad tectono-magmatic belt that lies immediately south of the Siguri basin which is highly prospective for gold. Two mineralised domains are observed at Balatindi: Gold/copper-dominated mineralisation within the Central Polymetallic Prospect (CPP) which lies immediately north of an interpreted east-west trending thrust fault, and uranium/copper-dominated mineralisation south of the thrust at Anomaly E.

The Company is in discussions with parties interested in joint venturing the project which will enable Burey to focus on its Giro project in the Democratic Republic of Congo.

CORPORATE

Securities Placement

During the Quarter, the Company raised \$2.15 million from a private placement of shares and options.

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Competent Person's Statements – Exploration Results

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

The information in this report that relates to the Giro Gold Project has been previously reported by the Company in compliance with JORC 2012 in various market releases, with the last one being dated 2 December 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements

Mineral Interests held at 31 December 2015 are as follows:-

| <i>Concession name and type</i> | <i>Registered holder</i> | <i>Burey's current equity interest</i> | <i>Maximum equity interest capable of being earned</i> | <i>Notes</i> |
|--|----------------------------------|--|--|--------------|
| Balatindi Exploration Permit (Guinea, West Africa) | Africa Banawa Mining SARLU | - | 90% | 1,2 |
| Giro Exploitation Permits PEs 5046 & 5049 Northeast Democratic Republic of Congo | Giro Goldfields Exploration sarl | 55.25% | 55.25% | |

Notes:

1. 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.
2. 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. As reported previously, Burey has exercised its right to acquire a 90% interest, completion of which is pending the preparation of legal documentation. The permit is pending renewal at 31 December 2015.

Changes in the Quarter to tenement interests / farm-in and joint venture agreements: There were no changes during the quarter.