

# BUREY GOLD LIMITED

(Formerly Mamba Resources Limited)

ABN 14 113 517 203

Annual Report  
2006

***Burey Gold Ltd***  
***Corporate Directory***

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<b>Directors</b>	Ron Gajewski Bruce Stainforth Nigel Ferguson Susmit Shah
<b>Company Secretary</b>	Susmit Shah
<b>Registered and Administrative Office</b>	30 Ledger Road Balcatta Western Australia 6021  PO Box 717 Balcatta Western Australia 6914 Telephone: (61 8) 9240 2836 Facsimile: (61 8) 9240 2406
<b>Auditors</b>	Horwath Audit (WA) Pty Ltd 128 Hay Street Subiaco Western Australia 6008
<b>Share Registry</b>	Advanced Share Registry Services 110 Stirling Highway Nedlands Western Australia 6009 Telephone: (61 8) 9389 8033 Facsimile: (61 8) 9389 7871

***Burey Gold Ltd***  
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## **INTRODUCTION**

During the period to 30 June 2006 Burey Gold Limited (“Burey” or the “Company”) has undertaken technical and legal due diligence on a number of projects in Fiji, Madagascar, Guinea (West Africa) and Australia.

### **FIJI**

Burey and its representatives completed a review of the Udu Polymetallic Project in Fiji. The project which was held in Udu Resources Ltd (a company under administration) did not satisfy Burey’s due diligence requirements.

### **MADAGASCAR**

In November 2005 Burey entered into a Farm-In and Joint Venture agreement with Madagascar Resources NL to explore for potential uranium mineralisation in Madagascar.

Results from the first phase of exploration conducted on the project area were not encouraging enough to proceed with the Joint Venture.

### **GUINEA (West Africa)**

During the period a full review of the merits of the Mansounia Gold Project was undertaken.

Agreement was reached with ASX listed Caspian Oil & Gas Ltd, the licence holder for the Mansounia Gold Project. The terms of the Farm-In Joint Venture agreement were agreed and formal documentation was completed post 30 June 2006.

## **SUMMARY OF GEOLOGICAL DATA AND RESULTS TO DATE**

The Mansounia Gold Project covers 145km<sup>2</sup> and is located in central eastern Guinea, approximately 150km from the international borders with Mali and Ivory Coast, and 440km east of the capital Conakry.

The principal gold producing areas of Guinea are associated with the coeval lower Proterozoic Systems of the Birimian (2.17-2.18 billion years) meta-volcanic (arc) and metasedimentary (basin) rocks, developed within and along the margins of the Siguiri Basin. Erosion of the volcanic arcs during arc/basin development produced the argillites, turbidite units and tuffs of the Siguiri Basin.

Gold within the Mansounia Project is exclusively associated with mesothermal vein style mineralisation, entirely consistent with the majority of Archaean and Proterozoic terrains worldwide, including the Birimian Series of West Africa. This style of mineralisation is generally associated with regionally metamorphosed terrains that have undergone considerable deformation and polyphase intrusive events. As such, the Birimian deposits are invariably strongly structurally, rather than lithologically, controlled.

Soil sampling completed by Caspian Oil & Gas Limited (formerly Afminex Limited) and its former joint venture partner, Gold Fields, identified a +10ppb gold-in-soil halo in the northern portion of the Mansounia permit extending over some 3.9km in strike in a broad northeast orientation with numerous robust and coherent zones exceeding 250ppb Au over a width of 200m to 400m. A number of these zones were tested by initial RAB scout drilling and follow-up RC drilling by Gold Fields. Best results from the drilling program include;

## ***Burey Gold Ltd*** ***Review of Operations***

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- 63m grading 1.46g/t Au from 3m in hole MRC069
- 32m grading 1.87g/t Au from 1m in hole MRC068
- 57.5m grading 0.84g/t Au from 1m in hole RAB043
- 35m grading 1.07g/t Au from surface in hole MRC065
- 30m grading 1.20g/t Au from 4m in hole MRC009
- 26m grading 1.31g/t Au from 16m in hole RAB008
- 14m grading 2.28g/t Au from surface in hole MRC012

Soil anomalies in the southern zone extend over some 3.3km and occur in a less developed laterite profile in contrast to the northern zone. There are a number of +200ppb anomalies that remain to be tested by drilling.

In a regional context, the mineralisation in the north of Mansounia is located within northeast dipping thrust slices, ramped over the granite-gneiss complex in the southwest of the project area. Locally, however Birimian volcanics and sediments appear to be sub-vertical. The mineralisation remains open to the north and has not been tested beneath soil anomalies adjacent the northern licence boundary. Gold mineralisation is best developed within the saprolite profile, although primary mineralisation has been intercepted in fresh rock. Mineralisation in the northern zone at Mansounia is interpreted to occur as an en echelon series of north northeast trending sub-vertical quartz veins, occurring within northeast compartments of volcanics and sediments, bounded by reactivated northeast trending transfer structures.

The Mansounia Gold Project represents a large tonnage low grade heap cyanide leach (HCL) target, and presently exhibits mineralisation of similar grade and tenor to the HCL mines already developed and currently operating in the Siguiri Basin.

Regionally, the Siguiri Basin hosts a number of significant gold deposits. The Siguiri Mine, located in the north of the Siguiri Basin some 150km northeast of Mansounia, is a large tonnage low-grade deposit with reported combined resources and reserves of 4.3Moz Au. The Lero Mine, in the north west of the Siguiri Basin, is another low-grade HCL operation with reported combined resources and reserves of 2.28Moz. However, most importantly for the Mansounia project, the Keniero (Jean-Gobebe) Mine plant infrastructure owned by Canadian listed company, Semafo Inc, is located some 2km north of the project licence.

A series of additional broad gold targets, largely defined by historic soil geochemistry and/or artisanal workings on the Mansounia Property, also require assessment and need to be prioritised as an integral part of the on-going exploration strategy. It is considered that there is good potential for the discovery of significant low grade mineralisation and that with ongoing systematic exploration, resources will be delineated on the Mansounia Property.

### **AUSTRALIA**

Burey, during the period entered into formal discussions with ASX listed Kalgoorlie Boulder Resources Ltd (KBRL). Post 30<sup>th</sup> June a formal agreement has been signed giving Burey an option for a period of six months from listing on the ASX to complete due diligence on a package of highly prospective uranium properties in Western Australia and South Australia.

**Burey Gold Ltd**  
**Directors' Report**  
**For the Period 23 March 2005 to 30 June 2006**

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Your directors present their report together with the financial report of Burey Gold Ltd ("the Company") and its controlled entity ("the Consolidated Entity"), from the date of incorporation on 23 March 2005 to 30 June 2006 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**  
**Executive Chairman**  
**(Appointed 23/03/2005)**

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. Mr Gajewski was formerly an executive Director of ASX listed Spinifex Gold Limited, executive Chairman of Contact Resources Ltd and has held directorships with mining companies listed in both Canada and Australia.

**Bruce Stainforth**  
**B.Sc., F.AUSIMM**  
**Chief Executive Officer /**  
**Managing Director**  
**(Appointed 6/07/2006)**

Bruce Stainforth has more than 32 years experience in the exploration and mining sectors in Australia, Asia-Pacific and West Africa. During this time, Mr Stainforth has worked in a variety of technical and managerial roles, including as chief geologist and chief mine geologist. He has 12 years of experience in West Africa and has previously worked in Guinea for Gold Fields.

**Nigel Munro Ferguson**  
**BSc MAusIMM**  
**Non-Executive Director**  
**(Appointed 23/03/2005)**

Nigel Ferguson is a geologist with over twenty years of 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 America and Africa. Mr Ferguson is presently the Chief Executive Officer of Condor Resources plc, a company that is listed on the London Stock Exchange and is exploring for gold, silver and copper in Central America.

**Susmit Mohanlal Shah**  
**BSc Econ, CA**  
**Non-Executive Director /**  
**Company Secretary**  
**(Appointed 16/06/2005)**

Susmit Shah is a chartered accountant with over 25 years' experience. Over the last 12 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 Gavin Argyle was appointed a Director of the Company on 23 March 2005 and resigned as a Director of the Company on 1 September 2005. Mr Mathew Walker was appointed a Director of the Company on 16 June 2005 and resigned as a Director of the Company on 30 March 2006.

## **CORPORATE INFORMATION**

### **Corporate Structure**

Burey Gold Ltd is a limited liability company that is incorporated and domiciled in Australia.

### **PRINCIPAL ACTIVITIES**

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

***Burey Gold Ltd***  
***Directors' Report***  
***For the Period 23 March 2005 to 30 June 2006***

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**RESULTS AND DIVIDENDS**

The consolidated loss after tax for the period ended 30 June 2006 was \$103,630. No dividends were paid during the period and the Directors do not recommend payment of a dividend.

**EARNINGS PER SHARE**

Basic loss per share for the period was 1.35 cents.

**REVIEW OF OPERATIONS**

The Company was incorporated as Mamba Resources Ltd on 23 March 2005 and changed its name to Burey Gold Ltd in March 2006.

A review of operations of the consolidated entity during the period ended 30 June 2006 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

Significant changes in the state of affairs of the consolidated entity during the financial period were as follows:

- a seed capital raising of \$208,000 by the issue of 10,000,000 fully paid ordinary shares in the capital of the Company.
- a further capital raising of \$805,000 by the issue of 6,440,000 fully paid ordinary shares in the capital of the Company.

**EVENTS SUBSEQUENT TO BALANCE DATE**

Since the end of the financial period 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, other than the matters referred below:

- In July 2006 the Company entered into a Farmin agreement with Caspian Oil & Gas Ltd (Caspian) in respect of the Mansounia Gold project located in Guinea, West Africa. The Company has committed to spend US\$250,000 before 31 December 2006 under this agreement and is required to solely fund exploration expenditure up to the bankable feasibility stage to earn a 70% interest in the project. The Company issued 500,000 ordinary shares to Caspian at a deemed issue price of 12.5 cents each upon execution of the Farmin agreement in reimbursement of Caspian's previous expenditure.
- In September 2006 the Company acquired an option over a number of uranium exploration assets held by Kalgoorlie Boulder Resources Ltd for a fee of \$50,000. The option entitles the Company to obtain full title to these assets at any time in the six months following listing on the ASX, subject to the payment of the agreed purchase price of 17,200,000 shares in the Company and \$50,000 cash.
- A further \$43,000 capital has been raised by the issue of 3,320,000 fully paid ordinary shares in the capital of the Company.
- On 20 October 2006, the Company issued a prospectus to raise up to \$5 million and to list on the Australian Stock Exchange Ltd.

**Burey Gold Ltd**  
**Directors' Report**  
**For the Period 23 March 2005 to 30 June 2006**

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**LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

The Company's objective is to maximise shareholder value through the discovery of significant gold deposits in West Africa, focussing initially on its Mansounia project in Guinea.

Whilst the Company's focus is on its current Project areas, the directors intend to identify and assess additional opportunities in the minerals and energy sectors within Australia and overseas.

The Directors are unable to comment on the likely results from the Company's planned exploration activities due to the 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 period ended 30 June 2006 are:

	<b>Directors' meetings held during period of office</b>	<b>Directors' meetings attended</b>
R N Gajewski	10	10
N M Ferguson	8	10
S M Shah	9	9
G J Argyle (resigned 1/09/05)	2	2
M D Walker (resigned 30/03/06)	5	4

There were 10 directors' meeting 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 Company's activities throughout the period.

At present, the Company does not have any formally constituted committees of the Board. The Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of special committees. However, it is the Directors intention to establish an audit committee, subject to a successful listing on ASX.

**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:

	<b>Fully Paid Ordinary Shares</b>	<b>Options Over Ordinary Shares</b>
R N Gajewski	2,900,001	-
B Stainforth	1,000,000	-
N M Ferguson	100,001	-
S M Shah	500,000	-

***Burey Gold Ltd***  
***Directors' Report***  
***For the Period 23 March 2005 to 30 June 2006***

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**SHARE OPTIONS**

As at the date of this report, there are no options on issue.

No options were exercised to acquire shares in the Company during the financial period or since the period-end.

**DIRECTORS' REMUNERATION**

No fees or remuneration has been paid or is payable to any of the directors during the financial period.

Mr Gajewski has entered into an agreement with the Company to be engaged as an executive chairman at a fee of \$10,000 per month (plus superannuation) from 1 July 2006 but subject to the Company being listed on the ASX. Under the agreement, he undertakes to dedicate 50% of his time to Burey's affairs.

Mr Stainforth has entered into an agreement with the Company to be employed as the Managing Director of the Company. Prior to his appointment as a director on 6 July 2006, he was engaged as a General Manager commencing 1 April 2006 at a monthly fee of US\$10,000. This rate remained unchanged when he was appointed Managing Director. However, it was agreed at that time that, upon commencement of ASX listing, his annual remuneration would be US\$150,000 with a two year term and a six months notice of termination.

Non-executive directors' fees in aggregate have been set at a maximum of \$200,000 per annum. It has been agreed that non-executive directors (of whom there are two at present) shall receive a fee of \$20,000 each per annum from 1 July 2006 but subject to the Company being listed on the ASX.

**INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

No indemnities have been given during or since the end of the period for a person who is or has been a Director, officer or an auditor of any entity within the consolidated entity and no insurance premiums have been paid or agreed to be paid for insurance against a current or former officer's or auditor's liability or legal costs.

**ENVIRONMENTAL REGULATIONS**

The consolidated entity's operations are not subject to any significant Australian environmental laws. During the financial period, the Company has only carried out low level exploration work mainly for due diligence purposes. There have been no known breaches of environmental laws or permit conditions while conducting operations during the period.

**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 are important. During the period ended 30 June 2006 no fees for non-audit services were paid/payable to the external auditors.

***Burey Gold Ltd***  
***Directors' Report***  
***For the Period 23 March 2005 to 30 June 2006***

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**AUDITORS' INDEPENDENCE DECLARATION**

The auditor, Horwath 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 attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



R N Gajewski  
Executive Chairman

Perth, 9 November 2006

9<sup>th</sup> November 2006

**Private and Confidential**

The Board of Directors  
Burey Gold Limited  
30 Ledger Road  
BALCATTWA WA 6021

**AUDITOR'S INDEPENDENCE DECLARATION**

This declaration is made in connection with my audit of the financial report of Burey Gold Limited for the period ended 30 June 2006 and in accordance with the provisions of the Corporations Act 2001.

As lead auditor 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 this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this audit.

Yours sincerely

**HORWATH AUDIT (WA) PTY LIMITED**

HORWATH.



**GLYN O'BRIEN**

Director

***Burey Gold Ltd***  
***Income Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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	Notes	Consolidated 2006 \$	Parent Entity 2006 \$
Revenue from continuing operations	2	17,926	17,926
Consultants and corporate costs		(35,040)	(9,585)
Salaries and wages		(18,126)	-
Depreciation expense		(75)	(75)
Exploration expenses written off	3	(39,003)	(39,003)
Occupancy expenses		(5,998)	-
Travel expenses	3	(15,301)	(7,750)
Other expenses		<u>(8,013)</u>	<u>(3,803)</u>
<b>Loss before related income tax</b>		<b>(103,630)</b>	<b>(42,290)</b>
Income tax (expense)/benefit	5	<u>-</u>	<u>-</u>
<b>Net loss attributable to members of the parent entity</b>		<b><u>(103,630)</u></b>	<b><u>(42,290)</u></b>

The above income statements should be read in conjunction with the accompanying notes.

***Burey Gold Ltd***  
***Balance Sheets***  
***As at 30 June 2006***

	Notes	Consolidated 2006 \$	Parent Entity 2006 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	876,149	775,941
Trade and other receivables	9	30,342	645
<b>Total Current Assets</b>		<b>906,491</b>	<b>776,586</b>
<b>Non-Current Assets</b>			
Trade and other receivables	9	-	198,008
Other financial assets	10	-	1,444
Property, plant & equipment	11	7,076	675
<b>Total Non-Current Assets</b>		<b>7,076</b>	<b>200,127</b>
<b>Total Assets</b>		<b>913,567</b>	<b>976,713</b>
<b>Current Liabilities</b>			
Trade and other payables	12	27,952	27,092
<b>Total Current Liabilities</b>		<b>27,952</b>	<b>27,092</b>
<b>Total Liabilities</b>		<b>27,952</b>	<b>27,092</b>
<b>Net Assets</b>		<b>885,615</b>	<b>949,621</b>
<b>Equity</b>			
Contributed equity	13	991,911	991,911
Reserves	14	(2,666)	-
Accumulated losses	14	(103,630)	(42,290)
<b>Total Equity</b>		<b>885,615</b>	<b>949,621</b>

The above balance sheets should be read in conjunction with the accompanying notes.

**Burey Gold Ltd**  
**Statements of Changes in Equity**  
**For the period 23 March 2005 to 30 June 2006**

CONSOLIDATED	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$
<b>Opening balance</b>	-	-	-	-
Share issue expenses	(21,089)	-	-	(21,089)
Currency translation differences	-	-	(2,666)	(2,666)
Loss attributable to members of the parent entity	-	(103,630)	-	(103,630)
Total income and expense for the period	(21,089)	(103,630)	(2,666)	(127,385)
Shares issued during the period	1,013,000	-	-	1,013,000
<b>Balance at 30 June 2006</b>	<b>991,911</b>	<b>(103,630)</b>	<b>(2,666)</b>	<b>885,615</b>

PARENT ENTITY	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
<b>Opening Balance</b>	-	-	-
Share issue expenses	(21,089)	-	(21,089)
Loss attributable to members of the parent entity	-	(42,290)	(42,290)
Total income and expense for the period	(21,089)	(42,290)	(63,379)
Shares issued during the period	1,013,000	-	1,013,000
<b>Balance at 30 June 2006</b>	<b>991,911</b>	<b>(42,290)</b>	<b>949,621</b>

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

**Burey Gold Ltd**  
**Cash Flow Statements**  
**For the Period 23 March 2005 to 30 June 2006**

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	Notes	Consolidated 2006 \$	Parent Entity 2006 \$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(147,626)	(54,783)
Interest received		<u>17,926</u>	<u>17,926</u>
<b>Net Cash (outflow) from Operating Activities</b>		<u>(129,700)</u>	<u>(36,857)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for plant and equipment		(7,151)	(750)
Payments for investments		-	(1,444)
Advances to controlled entities		<u>-</u>	<u>(198,008)</u>
<b>Net Cash (outflow) from Investing Activities</b>		<u>(7,151)</u>	<u>(200,202)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from share issues		<u>1,013,000</u>	<u>1,013,000</u>
<b>Net Cash inflow from Financing Activities</b>		<u>1,013,000</u>	<u>1,013,000</u>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>876,149</b>	<b>775,941</b>
Cash and cash equivalents at the beginning of the period		<u>-</u>	<u>-</u>
<b>Cash and Cash Equivalents at the end of the Financial Period</b>	8	<u>876,149</u>	<u>775,941</u>

The above cash flow statements should be read in conjunction with the accompanying notes.

***Burey Gold Ltd***  
***Notes to the Financial Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars.

**Statement of compliance**

The financial report was authorised for issue on 9 November 2006.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of Burey Gold Ltd (the “Company”) and subsidiaries, and the Company as an individual parent entity. Burey Gold Ltd 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.

**New Accounting Standards and UIG Interpretations**

No new Australian Accounting Standards that have been issued but are not yet effective have been applied in the preparation of this financial report. Such standards are not expected to have a material impact on the consolidated entity’s financial report on initial application, except for AASB 2005-9 which is applicable to financial years beginning after 1 January 2006 and will therefore be applied by the consolidated entity from 1 July 2006. The initial application of AASB 2005-9 could have an impact on the financial results of the consolidated entity as the amendment could result in liabilities being recognised for financial guarantee contracts that have been provided by the consolidated entity. The quantification of the impact is not known or reasonably estimable in the current financial year as an exercise to quantify the financial impact has not been undertaken to date.

**Revenue**

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 income statement as it accrues, using the effective interest method.

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

***Burey Gold Ltd***  
***Notes to the Financial Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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 for doubtful debts is made 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 balance sheet date.

All differences in the consolidated financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the income statement.

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 cedis (GHC)
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As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the reporting currency of Burey Gold Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the income statement.

**Taxes**

*Income tax*

Deferred income tax is provided for on all temporary differences at balance 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.

***Burey Gold Ltd***  
***Notes to the Financial Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Taxes - continued**

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 income statement 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 balance 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 Urgent Issues Group ('UIG') Interpretation 1039, "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 2006, 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement 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.

**Investments and other financial assets**

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. 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.

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

***Burey Gold Ltd***  
***Notes to the Financial Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

*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 income statement 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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**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).

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

### **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 income statement.

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.

### **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.

### **Provisions**

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **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.

***Burey Gold Ltd***  
***Notes to the Financial Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Issued Capital**

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.

**Segment Reporting**

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, property, plant and equipment net of accumulated depreciation and mineral interest acquisitions, exploration and development expenditure. Whilst most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Where segment revenues and expenses include transfers between segments, these are at the same rates which would apply to parties outside the consolidated entity on an arm's length basis. These transfers are eliminated on consolidation.

**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 Consolidated Entity'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.

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

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	Notes	Consolidated 2006 \$	Parent Entity 2006 \$
<b>2. REVENUE</b>			
<b>Other revenue</b>			
Interest - other parties		<u>17,926</u>	<u>17,926</u>
<b>3. EXPENSES</b>			
Loss includes the following specific expenses:			
<i>Other expenses include:</i>			
Auditors' remuneration	4	4,000	4,000
Depreciation expense		75	75
Exploration expenses written off		39,003	39,003
Travel and accommodation		15,301	7,750
<b>4. AUDITORS' REMUNERATION</b>			
Audit services:			
- Auditors of the company – Horwath Audit (WA) Pty Ltd		<u>4,000</u>	<u>4,000</u>
Amounts paid for other services or to related practices of the auditor		<u>-</u>	<u>-</u>

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

	<b>Consolidated 2006 \$</b>	<b>Parent Entity 2006 \$</b>
<b>5. INCOME TAX EXPENSE</b>		
(a) The prima facie tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements as follows:		
Loss from ordinary activities	<u>103,630</u>	<u>42,290</u>
Prima facie income tax benefit @ 30%	<b>31,089</b>	<b>12,687</b>
Tax effect of permanent differences:		
Company formation expenses	(400)	(400)
Due diligence costs	(430)	(430)
Travel not deductible	<u>(1,486)</u>	<u>(1,486)</u>
Income tax benefit / (loss) adjusted for permanent differences	<b>28,773</b>	<b>10,371</b>
Income tax benefit / (loss) not brought to account	<u>(28,773)</u>	<u>(10,371)</u>
Income tax attributable to operating losses	<u>-</u>	<u>-</u>

**(b) Unrecognised temporary differences**

Deferred Tax Benefits

The balance comprises temporary differences attributable to:

Carry forward tax losses	<u>28,773</u>	<u>10,371</u>
Net deferred tax assets	<u>28,773</u>	<u>10,371</u>

Deferred Tax Liabilities

There are no deferred tax liabilities.

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

	<b>Consolidated 2006 cents</b>
<b>6. EARNINGS PER SHARE</b>	
Basic earnings/(loss) per share	<u>(1.35)</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<u>7,672,977</u>

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

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**7. SEGMENT INFORMATION**

The Company operated principally in one business segment being mineral exploration and two geographical segments being Western Australia and West Africa.

The segment information is prepared in conformity with the accounting policies described in Note 1.

	<b>Australia 2006 \$</b>	<b>West Africa 2006 \$</b>	<b>Consolidated 2006 \$</b>
<b>Revenue</b>			
Segment revenue	17,926	-	17,926
Unallocated revenue	-	-	-
<b>Total segment revenue</b>	<u>17,926</u>	<u>17,926</u>	<u>17,926</u>
<b>Results</b>			
Operating loss before income tax	<u>(42,290)</u>	<u>(61,340)</u>	<u>(103,630)</u>
Income tax expense			-
Net loss			<u>(103,630)</u>
<b>Non-Cash Expenses</b>			
Depreciation	75	-	75
<b>Assets</b>			
Segment assets	777,262	136,305	<u>913,567</u>
Non-current assets acquired	750	6,401	<u>7,151</u>
<b>Liabilities</b>			
Segment liabilities	27,093	859	<u>27,952</u>

	<b>Consolidated 2006 \$</b>	<b>Parent Entity 2006 \$</b>
<b>8. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	<u>876,149</u>	<u>775,941</u>

**9. TRADE AND OTHER RECEIVABLES**

**Current**

Other receivables	645	645
Prepayments	<u>29,697</u>	-
	<u>30,342</u>	<u>645</u>

**Non-current**

Loans to related parties	-	<u>198,008</u>
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**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

	<b>Consolidated 2006 \$</b>	<b>Parent Entity 2006 \$</b>
<b>10. OTHER FINANCIAL ASSETS</b>		
Shares in subsidiaries (refer 10(a))	-	<u>1,444</u>

(a) Particulars in relation to subsidiaries

<b>Name of Subsidiary</b>	<b>Place of Incorporation</b>	<b>Consolidated Entity Interest 2006 %</b>	<b>Class of Shares</b>
<b>Parent Entity</b>			
Burey Gold Ltd	Australia		
<b>Subsidiary</b>			
Burey Gold (Ghana) Ltd	Ghana	<b>100</b>	Ord

**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Consolidated 2006 \$</b>	<b>Parent Entity 2006 \$</b>
<i>Plant and equipment</i>		
At cost	7,151	750
Less accumulated depreciation	(75)	(75)
	<u>7,076</u>	<u>675</u>

**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 period	-	-
Additions	7,151	750
Depreciation expense	(75)	(75)
Carrying amount at the end of the period	<u>7,076</u>	<u>675</u>

**12. TRADE AND OTHER PAYABLES**

**Current**

Trade payables	23,952	23,092
Other payables	4,000	4,000
	<u>27,952</u>	<u>27,092</u>

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.

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

	Parent Entity Number	Parent Entity 2006 \$
<b>13. CONTRIBUTED EQUITY</b>		
<b>(a) Issued and paid-up share capital</b>		
Ordinary shares, fully paid	<u>16,440,003</u>	<u>991,911</u>
<i>Movements in Ordinary Shares:</i>		
Subscriber Shares issued at \$0.20 each on 23/03/2005	3	-
Shares at \$0.001 each issued as Promoter Shares on 20/09/2005	7,000,000	7,000
Shares at \$0.10 each issued as Seed capital on 20/09/2005	2,000,000	200,000
Shares at \$0.125 each issued as Seed capital on 25/10/2005	3,400,000	425,000
Shares at \$0.125 each issued as Seed capital on 16/03/2006	400,000	50,000
Shares at \$0.001 each issued as Promoter Shares on 26/04/2006	1,000,000	1,000
Shares at \$0.125 each issued as Seed capital on 22/05/2006	1,340,000	167,500
Shares at \$0.125 each issued as Seed capital on 22/06/2006	1,300,000	162,500
Share issue costs relating to the Company's Prospectus dated 20 October 2006		(21,089)
Balance at the end of the period	<u>16,440,003</u>	<u>991,911</u>

**(b) Share Options**

No options have been issued.

**(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.

	Consolidated 2006 \$	Parent Entity 2006 \$
<b>14. ACCUMULATED LOSSES &amp; RESERVES</b>		
Accumulated losses at the beginning of the period	-	-
Net loss attributable to members of the parent entity	<u>103,630</u>	<u>42,290</u>
Accumulated losses at the end of the year	<u>103,630</u>	<u>42,290</u>
<i>Foreign Currency Translation Reserve</i>		
Opening balance at the beginning of the period	-	-
Currency translation differences	<u>2,666</u>	-
Foreign currency translation reserve at the end of the year	<u>2,666</u>	-

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

**14. ACCUMULATED LOSSES & RESERVES (continued)**

**Nature and purpose of reserves**

**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.

**15. FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk Exposures

The consolidated entity 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 balance date.

2006	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in:		Non-interest bearing	Total
			1 year or less	Over 1 year		
		\$	\$	\$	\$	\$
<b>Financial Assets:</b>						
Current:						
Cash and cash equivalents	3.16%	775,941	-	-	100,208	876,149
Receivables		-	-	-	645	645
<b>Total Financial Assets</b>		<u>775,941</u>	<u>-</u>	<u>-</u>	<u>100,853</u>	<u>876,794</u>
<b>Financial Liabilities:</b>						
Current:						
Trade and other payables		-	-	-	27,952	27,952
<b>Total Financial Liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>27,952</u>	<u>27,952</u>

(b) Net fair values

The aggregate net fair value of financial assets and financial liabilities approximate the carrying amount of the financial assets and financial liabilities as indicated in the Balance Sheets. There are no unrecognised financial assets or financial liabilities at year-end.

(c) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at year end in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Balance Sheets.

(d) Concentration of credit risk

As the consolidated entity is exclusively involved in exploration rather than trading there is currently very little credit risk. The risk is considered immaterial to the operations of the consolidated entity.

(e) Exchange rate exposures

The Company has not entered into any general or specific contracts to hedge against losses that may arise from exchange rate fluctuations. The Company may suffer such exchange rate fluctuation losses as it has a number of assets and liabilities denominated in foreign currencies, particularly US dollars.

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

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**16. COMMITMENTS**

**(a) Exploration expenditure commitments**

In July 2006 the Company entered into a Farmin agreement with Caspian Oil & Gas Ltd (Caspian) in respect of the Mansounia Gold project located in Guinea, West Africa. The Company has committed to spend US\$250,000 before 31 December 2006 under this agreement and the Company can not withdraw from the agreement until this amount has been expended. The Company is required to solely fund exploration expenditure up to the bankable feasibility stage to earn a 70% interest in the project but it can withdraw from the farm-in at any time after the initial US\$250,000 expenditure.

**(b) Capital commitments**

In September 2006 the Company acquired an option over a number of uranium exploration assets held by Kalgoorlie Boulder Resources Ltd for a fee of \$50,000. The option entitles the Company to obtain full title to these assets at any time in the six months following listing on the ASX, subject to the payment of the agreed purchase price of 17,200,000 shares in the Company and \$50,000 cash.

**17. CONTINGENCIES**

There were no contingent liabilities of the consolidated entity, not provided for in the financial statements at 30 June 2006.

<b>Consolidated</b>	<b>Parent Entity</b>
<b>2006</b>	<b>2006</b>
<b>\$</b>	<b>\$</b>

**18. STATEMENTS OF CASH FLOWS**

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

Loss from ordinary activities after income tax	<b>(103,630)</b>	<b>(42,290)</b>
Add back non-cash items:		
Depreciation	<b>75</b>	<b>75</b>
Exchange loss	<b>(2,666)</b>	<b>-</b>
Change in assets and liabilities:		
(Increase) in receivables	<b>(30,342)</b>	<b>(645)</b>
Increase in operating payables	<b>6,863</b>	<b>6,003</b>
<b>Net cash (outflow) from operating activities</b>	<b><u>(129,700)</u></b>	<b><u>(36,857)</u></b>

**(b)** There were no non-cash financing and investing activities.

**Burey Gold Ltd**  
**Notes to the Financial Statements**  
**For the Period 23 March 2005 to 30 June 2006**

**19. KEY MANAGEMENT PERSONNEL DISCLOSURES**

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

<b>Non Executive Directors</b>	<b>Executive Directors</b>
Mr Nigel Ferguson	Mr Ron Gajewski
Mr Susmit Shah	
Mr Gavin Argyle (Appointed 23/03/05, Resigned 01/09/05)	<b>Executive</b>
Mr Mathew Walker (Appointed 16/06/05, Resigned 30/03/06)	Mr Bruce Stainforth – General Manager

Other than the directors of the Company disclosed above, and Mr Stainforth who has since been appointed a director, there were no other executives who have direct responsibility for the strategic direction and operational management of the consolidated entity.

The directors did not receive directors' fees for the period 23 March 2005 to 30 June 2006.

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

	<b>Consolidated 2006 \$</b>	<b>Parent Entity 2006 \$</b>
Short-term employee benefits	16,272	-
Post-employment benefits	-	-
Share-based payments	-	-
	16,272	-

*Individual directors and executives compensation disclosures*

Information regarding individual directors and executives compensation and some equity instruments disclosures as permitted by Schedule 5B to the Corporations Regulations 2001 is provided in the Remuneration Report section of the Directors' report. Apart from the details disclosed in this note, no director has entered into a material contract with the Company or 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.

Shareholdings

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:

<b>30 June 2006</b>	<b>Balance at 23 March 2005</b>	<b>Received as Remuneration</b>	<b>Options Exercised</b>	<b>Other Movements</b>	<b>Balance at 30 June 2006</b>
<i>Parent entity directors</i>					
Ron Gajewski	-	-	-	3,500,001	3,500,001
Nigel Ferguson	-	-	-	1	1
Susmit Shah	-	-	-	500,000	500,000
Gavin Argyle (resigned 1/09/05)	-	-	-	1	N/A
Mathew Walker (resigned 30/03/06)	-	-	-	3,000,000	N/A

No options were issued during the period.

***Burey Gold Ltd***  
***Notes to the Financial Statements***  
***For the Period 23 March 2005 to 30 June 2006***

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**19. KEY MANAGEMENT PERSONNEL DISCLOSURES - continued**

Other transactions with key management personnel

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year-end.

Fees of \$16,272 have been paid to Mr Stainforth for geological services rendered to the Company since 1 April 2006. Mr Stainforth was appointed a director on 6 July 2006.

**20. RELATED PARTY TRANSACTIONS**

**(a) Key Management Personnel**

Disclosures relating to key management personnel are set out in Note 19.

**(b) Subsidiaries**

*Wholly Owned Group*

The parent entity incurs exploration expenditure on behalf of the controlled entities. Investments in and loans to wholly owned controlled entities are disclosed in Notes 10 and 9 respectively.

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

**(c) Parent entity**

Burey Gold Limited is the ultimate parent entity.

**21. EVENTS OCCURRING AFTER THE REPORTING DATE**

There are no matters or circumstances that have arisen since 30 June 2006 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years, other than the matter referred to below:

- In July 2006 the Company entered into a Farmin agreement with Caspian Oil & Gas Ltd (Caspian) in respect of the Mansounia Gold project located in Guinea, West Africa. The Company has committed to spend US\$250,000 before 31 December 2006 under this agreement and is required to solely fund exploration expenditure up to the bankable feasibility stage to earn a 70% interest in the project. The Company issued 500,000 ordinary shares to Caspian at a deemed issue price of 12.5 cents each upon execution of the Farmin agreement in reimbursement of Caspian's previous expenditure.
- In September 2006 the Company acquired an option over a number of uranium exploration assets held by Kalgoorlie Boulder Resources Ltd for a fee of \$50,000. The option entitles the Company to obtain full title to these assets at any time in the six months following listing on the ASX, subject to the payment of the agreed purchase price of 17,200,000 shares in the Company and \$50,000 cash.
- A further \$43,000 capital has been raised by the issue of 3,320,000 fully paid ordinary shares in the capital of the Company.
- On 20 October 2006, the Company issued a prospectus to raise up to \$5 million and to list on the Australian Stock Exchange Ltd.

**Burey Gold Limited**  
**Directors' Declaration**  
**30 June 2006**

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In the opinion of the Directors of Burey Gold Ltd ("the Company"):

- (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2006 and of their performance for the period ended on that date; and
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; 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.

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

On behalf of the Directors



R N Gajewski  
Chairman

Dated at Perth, 9 November 2006

**Independent audit report on the financial report to members of Burey Gold Limited**

We have audited the accompanying financial report of Burey Gold Limited (the company) and the consolidated entity for the period ended 30 June 2006. The financial report comprises the balance sheet at 30 June 2006, and the income statement, statement of changes in equity, cash flow statement, summary of significant accounting policies and other explanatory notes, and the directors' declaration for the period then ended.

We have also audited the information about the remuneration of directors and executives ("remuneration disclosures"), the company has disclosed in accordance with Accounting Standard AASB 124 Related Party Disclosures, under the heading "remuneration report" on page 8 of the directors' report, as permitted by the Corporations Regulations 2001.

***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards in Australia and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report and the remuneration disclosure based on our audit. We conducted our audit in accordance with Auditing Standards in Australia. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 entity's preparation and fair presentation of the financial report 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 entity'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***

We are independent of the company and group, and have complied with the independence requirements of the *Corporations Act 2001*. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

### **Auditor's Opinion**

In our opinion:

1. The financial reports of Burey Gold Limited and the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the company's and the group's financial position as at 30 June 2006 and of its performance for the period ended on that date; and
  - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001.
2. The remuneration disclosures that are contained on page 8 of the directors' report comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.

Dated the 9<sup>th</sup> day of November 2006.

**HORWATH AUDIT (WA) PTY LIMITED**

HORWATH.  
GLYN O'BRIEN

**GLYN O'BRIEN**  
Director