

BUREY GOLD LIMITED

ABN 14 113 517 203



BUREY GOLD

ANNUAL REPORT
2010

Burey Gold Limited
Corporate Directory

Directors	Ron Gajewski Bruce Stainforth Nigel Ferguson Susmit Shah
Company Secretary	Susmit Shah
Registered and Administrative Office	30 Ledger Road Balcatta Western Australia 6021 PO Box 717 Balcatta Western Australia 6914 Telephone: (61 8) 9240 7660 Facsimile: (61 8) 9240 2406
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco Western Australia 6008
Share Registry	Advanced Share Registry Services 150 Stirling Highway Nedlands Western Australia 6009 Telephone: (61 8) 9389 8033 Facsimile: (61 8) 9389 7871

Website: www.bureygold.com

Securities trade on the Australian Securities Exchange – BYR, BYRO

Burey Gold Limited
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- Regional office in Kankan to service projects
- Full field crews in operation
- MD located in country

EXECUTIVE SUMMARY

Burey's resumption of field work in the first half of the financial year was initially delayed by un-seasonal wet conditions, which limited access to project sites. Thereafter, political unrest and associated insecurity was of sufficient concern to result in a withdrawal of staff and a hiatus to on-ground activity. Drill contractors too ceased operations and withdrew their staff from the country.

Prior to this hiatus, Burey's field team had prepared for the Mansounia drilling program with the drill grid and access routes re-established, additional stocks of QAQC drill sample blanks and standards prepared and the storage of previous drill cuttings rationalised. It had been planned to undertake extension and infill drilling in the Mansounia Gold Project area in an effort to close the gold resource and allow completion of an initial set of economic modelling options. Other targets on the property were to be tested within the same drill programme.

During the first quarter of the reporting period, Burey successfully closed a \$2.125 million capital raising.

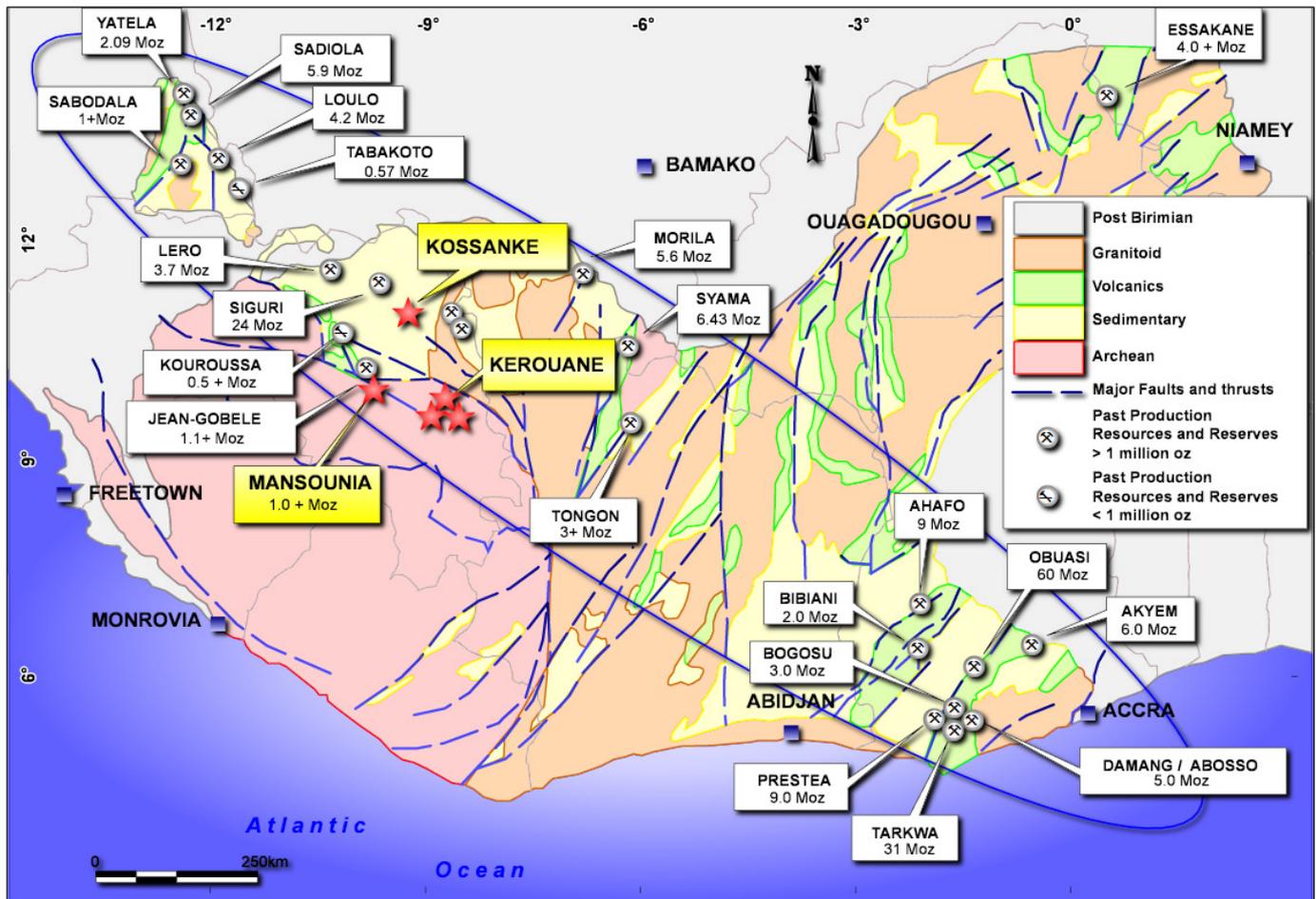
With the political situation stabilising, Burey's field work in Guinea resumed during the second half of the reporting period on the Balatindi and Dion Koulai projects. The Presidential elections passed peacefully at the end of June 2010 with no single candidate gaining a majority. The two main candidates will now contest a Presidential run-off election, with Parliamentary elections to follow thereafter. It is anticipated that Guinea's first elected government will be operational before the end of 2010.

The Balatindi licence work saw the completion of an infill ground radiometric survey; the recovery of a part of the historical Balatindi digital database, as compiled from the 2002 - 2004 work of Mining Italiana; identification of a possible IOCGU system as expressed by a 3.5km x 0.6km Au anomaly defined within a radiometric anomaly extending over an area of some 16km x 6km.

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The Balatindi historical database was reviewed to assist in the preparations for drill-testing the gold cap /polymetallic anomaly and a suite of primary uranium anomalies planned for the second half of calendar 2010.

On the Dion-Koulai licence, field crews completed the planned first pass Total Count (TC) ground radiometric and co-incident soil sampling program. Over 7,000 TC readings and 974 composite soil samples were collected and the soil samples were submitted for low level gold analysis. A highly encouraging set of results has been returned.



MANSOUNIA PROJECT (Burey earning 70%; Guinea Government 15%; Vendors 15%)

Background

The Mansounia Project licence, containing the Mansounia Gold Deposit (MGD), covers some 145km² within a Lower Proterozoic volcanic in an arc setting along an under-plated segment of the Lower Proterozoic Siguiroi Basin margin. Locally, Mansounia sits within a weakly metamorphosed, intermediate to mafic volcano-sedimentary package which is dominated by andesitic to basaltic volcanics and volcanic tuff. The district is masked by a laterite cap which covers a thick development of saprolitic rock.

The bulk of the mineralisation defined to date is secondary gold located within laterite aprons and an underlying thicker wedge of shallow, highly oxidised saprolitic rock, principally degraded from intermediate to basic volcanic and tuff to smectitic and kaolinitic clay.

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

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

The secondary gold mineralisation forms a near surface NNE-SSW wedge over 2,000 metre in length and up to 50 metres thick from near the source and although tapering rapidly can be seen to persist in grade and depth, albeit thinning, easterly for several hundred metres. Diamond core drilling (DD) has tested the primary mineralisation to 220m below surface.

Results from the 1,758 metres of core drilling, 22,980 metres of RC drilling and 2,977 metres of RAB drilling to date on the property have been used to model the gold mineralisation and generate a resource estimate. The current resource (originally reported on by Independent Geological Consultants, Runge Ltd) is tabulated below. Preliminary metallurgical scoping and conceptual project studies have ensued.

Table A: Resource Summary, Mansounia Gold Project, 2009

Cut-Off Grade Au g/t*	Indicated Resource		Inferred Resource		Total Resource		Contained Ounces of Gold
	Million Tonnes	Grade Au g/t	Million Tonnes	Grade Au g/t	Million Tonnes	Grade Au g/t	
0.2	7.9	0.6	53.6	0.5	61.5	0.5	1,078,000
0.4	6.1	0.7	30.4	0.7	36.5	0.7	829,700
0.7	2.2	0.9	10.9	1.1	13.1	1.0	436,900
1.0	0.5	1.2	4.5	1.4	5.0	1.4	222,100

*gold in grams per tonne.

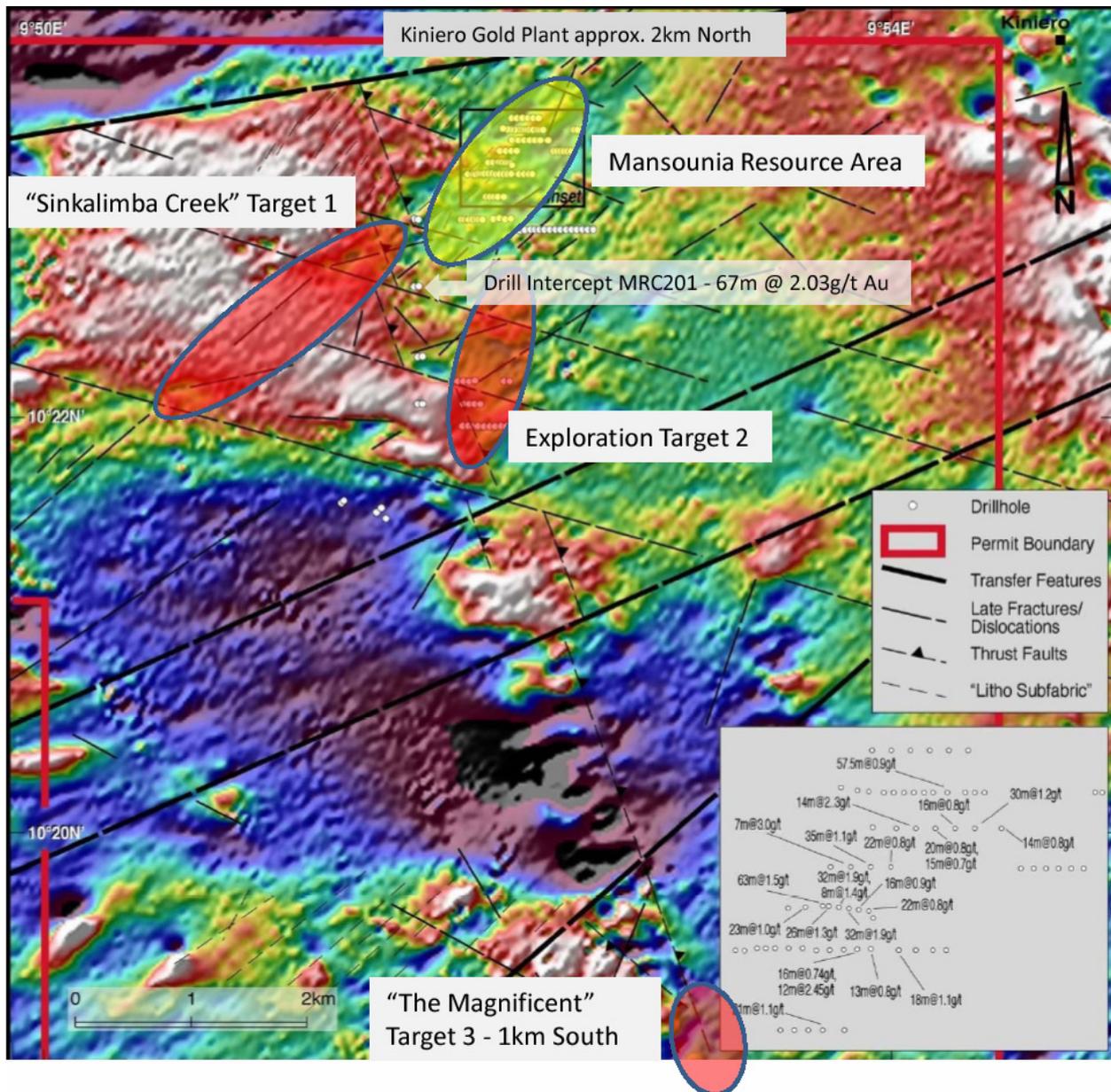
Activities during the Period

Burey's plans for a drill program at the start of the financial year were thwarted by the unusual extension of wet weather and thereafter by the tenuous political and security situation. This period witnessed the exit of Burey's drilling contractors from Guinea. Correspondingly, Burey's field crew was moved out of country mid-December.

Burey had completed the necessary drill programme logistical arrangements (consumable purchases, fuel, adding to QA/QC standard stocks etc) prior to the start of the financial year. Due to the subsequent wet weather, drill site access and drill pads will need to be redressed yet again prior to the commencement of the drill program now planned for calendar Q4, 2010.

Artisanal activity has continued through much of the year with several excavators being intermittently used along Sinkalimba Creek to the south of the current resource area. Other artisans have followed and reported success in the area called "The Magnificent" which Burey had targeted for drill testing of the sulphide bearing volcanic breccias (diatreme?) as the potential host for gold mineralisation in the SE of the property.

No further work was undertaken on the licence and Burey's attention was directed to advance Burey's other projects.



Mansounia Project – magnetics, resource areas, targets for exploration

Planned Work Programme

The conceptual project economics of the MGD are highly favoured by the current level and trend of the gold price particularly if a set of very low cost mining and processing options can be utilised. The addition of near surface better grade gold mineralisation can only enhance conceptual project economics.

Therefore:

- Programmed drilling will test the SW extensions to known mineralisation along a sub-cropping mafic dyke which passes to the SW from the MGD. Burey's drill core suggests primary mineralisation was remobilised on emplacement of the late mafic dyke. The area has not previously been drill tested. Shallow elevated grades are known from the northern part. Elluvial workings are gathered below those slopes.

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- The area not previously drilled, between Intermediate Creek and the two fences of very weak gold mineralisation located by Gold Fields drill holes on a weak southern extension of the Mansounia soil anomaly, and well to the NE of Sinkalimba Creek, will also be tested by a number of wide spaced infill drill fences hoping for more of the Intermediate Creek style and grade mineralisation.
- A good distance toward the SW corner of the Mansounia licence a number of holes are planned to test the steep location about “the magnificent” sulphidic volcanic breccia outcrop. The associated alteration, heralded by the aeromagnetic bulls-eye target and the encroaching artisanal gold winning activity adds healthy anticipation to the outcome of these holes.

BALATINDI LICENCE (Earning 75%; Government 15% + Vendor 10%)

Background

The older Archaean Leonian (3.2-3.6Ga) and mid-Archaean Liberian (2.9-2.6Ga) terrains abut along the regionally significant and long lived North South oriented Diani Fault.

It is assumed that the length and unusually straight nature of the Diani contact is a consequence of its age and its protracted history of strike slip movement. The initial contact of the two ancient terrains is interpreted to have been developed under East-West compression, essentially orthogonal to the current trace of the Diani Fault.

The Simandou Range ironstone succession is a well preserved greater than 200km long, West dipping recumbent keel structure and is expressed in the cover of the Liberian terrain. It is roughly aligned parallel to, but up to 20km east of the Diani Fault and is interpreted to evidence the progressive East West compressive deformation within the Liberian terrain, before it was resolved by a sinistral strike-slip movement. As no ancient composite volcanism is currently mapped adjacent to the Diani Fault, no under-plating is interpreted to have occurred.

The north-eastern sector of the Leonian / Liberian abutment (Balatindi) was subsequently overridden from the East and then from the Northeast, along an ENE-WSW directed transfer fault bounded segment, by the Birimian (2.0-2.2Ga) fill of the Siguri trough.

A composite igneous suite is interpreted to have developed on top of the under-plated sectors of the Birimian succession. The composite volcanics and associated hypabyssal wedges that have been generated and adjusted during basin closure along lystric faults have subsequently been intruded by a late co-magmatic monzoitic dyke swarm, directly above and aligned with the Diani Fault.

Prospectivity

Burey considers the Balatindi Exploration licence and its environs highly prospective for polymetallic mineralisation with potential for IOCGU [Iron Oxide Copper Gold Uranium], Unconformity Uranium and Sedimentary Exhalative [SedEx] styles of mineralisation.

This opinion is based on an in-depth interpretation of both the regional and local geology and the potential emplacement mechanisms of such mineralisation. Specifically, Burey’s technical staff cite several factors to support this opinion including: the presence of composite volcanics which provides a cap to the local southern margin of the Birimian Siguri Basin suite; deep basin diagenetic and metamorphic fluids are inferred to have been tapped and directed up-dip via an expansive array of east-west striking listric faults during basin closure; successive phases of volcanism and plutonism up until the very late (Mesozoic) emplacement of mantle sourced mafic plumes; a cumulative contribution to mineralising fluid on remobilisation of mineralised margins to the basement granitoids; deformation, tapping and focus of these listric fault fluids by the penetrative, cross-cutting and up-right Diani Fault and finally there was continued fluid focus and pumping along the Diani Fault in association with its cyclic reactivation history.

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Together these factors are considered to have provided an integrated source; a driving mechanism; a conduit and focus for up-welling of the mineralised fluid along the northern projection of the Diani Fault where the Balatindi polymetallic mineralisation is located.

The focus of further work will be to ascertain whether the known U, Au, and Cu mineralisation is of economic tenor and potentially viable. This will require drilling a series of DD and RC holes to resolve the geological setting, structural control and resource geometry, prior to undertaking further detailed resource studies.

Data Acquisition

Early in 2008, Burey obtained the gold-in-soil sampling and assay results compiled by the previous Balatindi licence holder, Mining Italiana (MI) from the CPDM, Conakry. The soil sampling program had been carried out in the 2001/02 field season.

Late in 2009, Burey also managed to locate and recover a portion of what had clearly been a comprehensive and detailed digital data-base of work contracted by MI during 2001-2004.

That work focussed on the strong gold anomaly located by the 2001 soil sampling programme and included: pit/trench assay logs; drill logs and assays for two DD drilling campaigns; a petrologist's report on selected drill core samples; a local ground magnetic survey; a local IP survey plan and pseudo-sections; a regional Landsat Aster Image study searching regional showings of hydrothermal alteration; and a synoptic interpretation of the local magnetic resistivity and soil gold response.

Burey has continued to investigate all available channels to locate the full data base.

Drilling

The drill data recovered includes drill logs for two phases of diamond drilling, undertaken in 2003/04 for a total of 26 holes and 3,648 metres drilled. The holes are located over the **peak** gold-in-soil anomaly which measures some 400m North-South by some 600m East – West, with drill fences of 1 to 5 holes each, drill collars 50m or 100m apart, with 23 holes on an azimuth of 000°; 3 holes on 180° and all with a 50° declination. The data includes detailed gold assay data.

Drilling tested up to 135m below surface but did not close off mineralisation. Drill results may be biased due to the preferred orientation of drilling. Some 40% of the metres drilled returned significant intercepts as shown in the table below.

Record of significant intercepts:

Number of intercepts	Range in grams . metre	Mean width (metres)	Resolved Gold grade (gmAu/t)
34	5+ to 10	8.0	0.9
22	10+ to 15	12.9	1.0
19	15+ to 25	16.7	1.1
10	25+ to 50	25.4	1.3
7	50+	43.9	1.4

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Petrology

A detailed petrologist's report prepared from 42 selected drill core samples included reference to, but no complete copy of, ICP multi-element assays and indicates variously anomalous levels of Au, Cu, Ag, Mo, Ba, Pb, Zn, Bi, Te, Se, Rb, Cs, Li. Although U was available in the ICP assay suite no mention is made of uranium, anomalous or otherwise, in samples from the core.

Economic minerals listed include magnetite, martite, limonite, bornite, chalcocite, covellite, chalcopyrite, gold, molybdenite, sphalerite, pyrite, bismuthinite, Bi-telluride, galena and others. Reference is made to pronounced phyllitic alteration in some samples.

Field descriptions of core referred to quartz amphibolite gneiss and granite gneiss with the petrologist often noting local zones of ductile and possible, occasional partial anatectic deformation that is due to a partial melt of a pre-existing rock, which appears to Burey to have been caused by confusion with primary flow features.

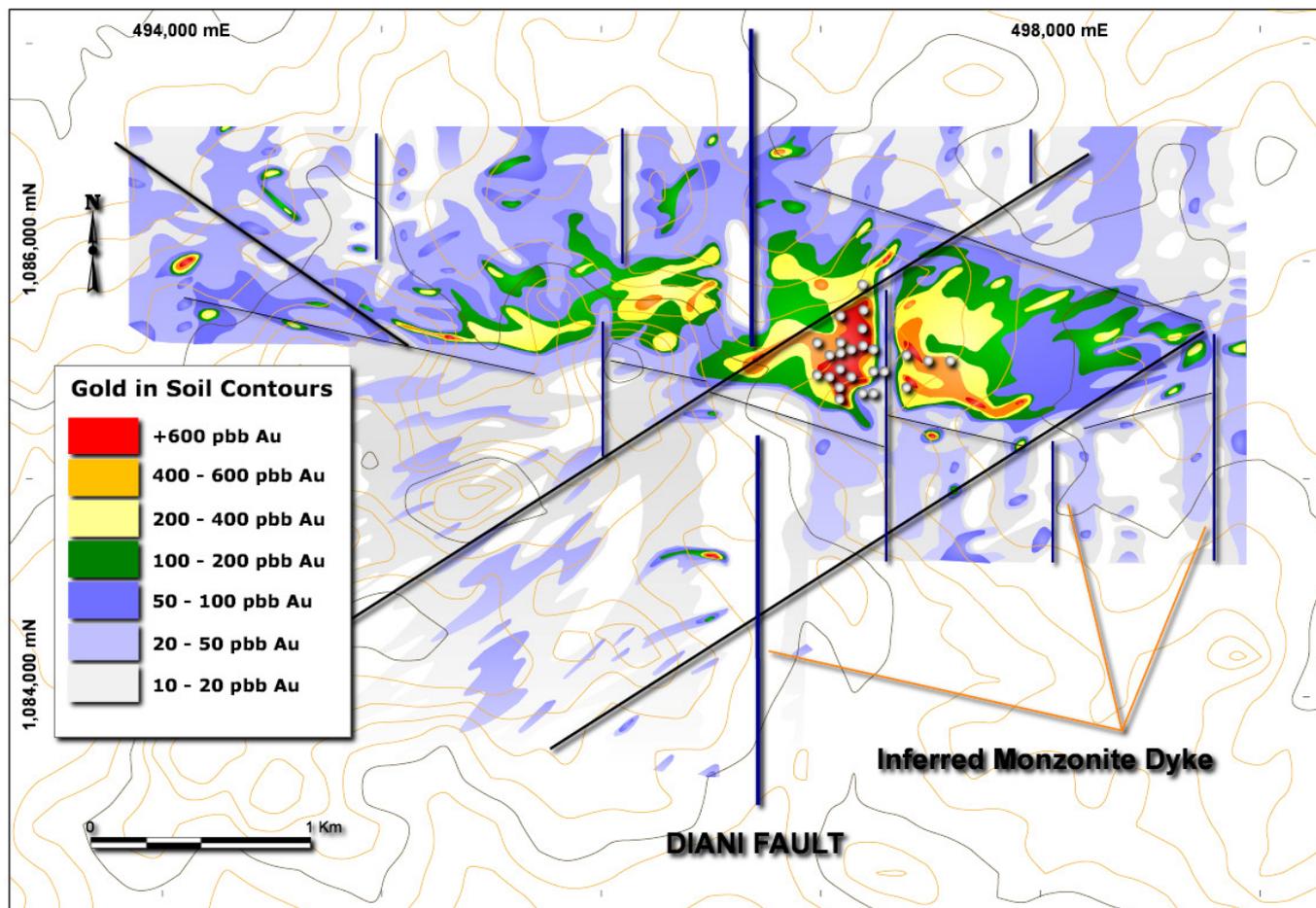
An independent UK based geological contractor prepared a project appraisal. To conform to MI's field reports, he compared the mineralisation with "Andean porphyry" style. The author is thought to have had access to the project geologist's drill logs and field mapping comments, but it is not clear if he had access to the petrologist's report.

Gold in Soil Survey

In 2008, Burey produced a manually contoured plot of the MI gold-in-soil data. Two check BLEG [Bulk Leach Extractable Gold] sample traverses were completed late in 2008 by Burey and have validated the MI results. Soil cover was shown to be generally thin with minimal sap-rock development which is unusual for Guinea.

The fabric generated by contouring of the gold-in-soil data is taken to reflect bedrock gold and, although only local in extent, the data manages to highlight:

- that the peak gold contours coincide with the structural high corresponding to the Diani Fault as defined by MI's ground Magnetic and IP survey. The East and West limbs of the soil anomaly attenuate rapidly, within 1,500m East and 1,500m West of centre. A northerly plunge is inferred. The peak "apparent thickness" extends over 800m, but may have been attenuated along North-South dyke margins;
- the presence of narrow zones of North-South depletion coincident with the late monzonite dykes is interpreted to evidence convective drive of gold from dyke margins;
- a roughly East-West striking mineralised domain of volcanic facies rocks, bound to the south by a West-northwest, East-southeast oriented thrust fault. To the immediate north of this thrust fault and for about 1,000m beyond, strongly anomalous gold values are seen to align before a second parallel feature is met. Thereafter, a relatively nebulous weak gold fabric is resumed; The West-northwest East-southeast thrust fault interface is off-set on late North East-Southwest fractures. To the south of the thrust fault, a tight East-northeast West-southwest trending fabric is displayed and appears to drag the gold mineralised fabric into one of a series of dominant East-northeast West-southwest transfer features. This latter fabric is duplicated by the interpreted ground radiometric contours.



Local Ground Magnetic Survey

Interpretation of the local ground total field magnetic survey carried out by *Minera Serva* for MI suggests an East-West striking, banded magnetic unit covers the south of the area surveyed which may represent a more coherent acid volcanic unit. It is steeply overlapped from the north, by magnetically weak units perhaps representing barren incoherent acid volcano-clastics. The interface of the two litho-types appears domed where the North-South monzonite dykes are inferred to proliferate as represented by numerous associated North-South fractures evident in the magnetic map, which form the locus about which the gold-in-soil anomalism also peaks. A localised, late conjugate array of Northwest-Southeast and Northeast-Southwest fractures is also evident, perhaps resulting from the interplay of the vertical doming and/or regional transfer faults.

The tight array of inferred fractures and late North-South oriented monzonite intrusives within the dome is likely to have disrupted any propensity for gradational changes in the development of mineralisation.

A synopsis of the MI magnetic and resistivity data suggests an antiformal dome feature, developed on the Diani Fault axis is coincident with the peak in gold anomalism of greater than 600ppm gold.

Activities during the Period

The first pass detailed systematic ground-borne radiometric and geological mapping programme was carried out in the 4th Quarter 2009 and the 1st Quarter of 2010. Preliminary results show encouraging elevated radiometric responses located in geologically encouraging settings. Additionally geological features were identified which potentially have affiliation to established uranium and gold mineralising processes.

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The follow-up infill ground radiometric survey at Balatindi was completed early in the 3rd Quarter, 2010. The surveys sampled at 50m centres along N-S Lines. Approximately 127km of 2km spaced first-pass and 74km of infill N-S lines were completed.

The follow-up infill programme confirmed the wide area of structurally controlled uranium anomalism suggested by Burey's first-pass programme and has provided target areas to focus a first-pass drill programme.

Importantly, Burey procured a significant quantity of past exploration data generated by the previous licence holder, Mining Italiana, during the second quarter. The data, although not complete, provides a portion of the detailed drill record, associated detailed petrology, a local ground magnetic survey and resistivity map. The procured data is currently under review and already confirms Burey's belief in the primary setting of the uranium mineralisation of the Balatindi property, suggesting a well developed regionally significant, structurally controlled mineralised setting with IOCG affinity (Au, Cu, base metals, U).

Subsequent manual contouring of Burey's radiometric total count data outlined a fabric not inconsistent with and largely parallel to, that of the gold-in-soil contours and those features interpreted from resistivity and ground magnetic data.

The radiometric anomaly appears more extensive than that of gold. The gold anomaly, although lying within the radiometric anomaly, appears to sit above and abuts the radiometric - uranium peak. Peaks in radiometric response are generally continuous within any given geological domain but they too appear to be disrupted by N-S monzonite dyke or faults.

Planned Work Programs

Burey has designed two parallel drilling programmes to inaugurate its subsurface investigations at Balatindi. These are:

Programme 1 - Diamond drilling, a nominal number of 20 long sub-vertical HQ holes, for an aggregate of some 5,000m with the objective of assessing the economic tenor, attitude and potential tonnage of the polymetallic (Cu, Au, U) anomaly identified by Burey from the Mining Italiana digital data.

Programme 2 – A set of inclined short-hole (100-150m) RC drill-hole traverses aggregating between 2,000m to 3,000m (as required) to test 5 areas within the broad radiometric anomaly which Burey has identified to extend beyond the broad gold anomaly of 9km x 2km, to cover some 16km x 6km.

Programme 1 is necessary for the eventual resolution of the geological setting, structural control and geometry of the polymetallic mineralisation at Balatindi. Limited diamond drilling elsewhere on the Balatindi licence would also prove advantageous, early in the project's life, to establish the genesis of the uranium mineralization.

Burey is targeting a drill commencement date of late September, 2010.

DION-KOULAI (Burey earning 68%; Government 15%; Vendor 17%)

Background

The Dion-Koulai permit, granted in July 2009, covers a North-South rectangular area of some 298km² lying immediately west and to the southwest of Karala and some 125km to 165km Southeast of Kankan.

Burey will earn 68% interest in the Dion Koulai Exploration Permit from the permit holder should Burey choose to exercise its option agreement with the vendor and thereafter Burey will retain a first right to purchase the remaining vendor equity should they wish to sell.

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Regional Setting

The Dion-Koulai permit lies well to the east of the Diani Fault over the Northeast margin of mid-Archaean Liberian (2.9-2.6Ga) terrain. This terrain was underplated in the Birimian (2.0-2.3Ga) to form a complex of acid subvolcanics and remobilised intrusives. Extensive Northwest-Southeast striking listric thrust faults are interpreted to define the peripheries of the geological domain. It may be speculated that, along such faults, the ascent of basin and/or reactivated pluton-margin-sourced mineralised fluids could be a source for any accumulations of metal.

Guinea government records indicate two uranium occurrences, Kabadougou and Sissi, located within the permit area. Both occur on the junction of West-northwest East-southeast striking regional thrust faults with the margin of a ?Liberian Birimian remobilised granitoid.

Burey considers the remobilised margins to the intrusive bodies and the volcanics prospective for Au, U, Cu, Ag, Pb, Zn, Sn and Ta.

Activities during the Period

Burey commenced the proposed systematic first-pass field programme, mapping ground radiometric data and coincident soil samples in the 1st Quarter of 2010. A total of some 700 line-kilometre of traverse (>7,000 sample locations were visited) was covered by the close of this first pass programme early in June, 2010.

Traverse lines were run on a bearing of 045° and spaced 1km apart. Radiometrics were read at 50m spaced stations along the traverses. Soils samples were collected at every station, but bagged as composites at every second (100m) station. Soils were only collected in areas proximal to or in traversing mapped lithological boundaries or if artisanal workings were encountered. Initially only each second line was submitted for assaying.

No artisanal workings were encountered during the work program. The soil samples were assayed at the Interteck Laboratory in Tarkwa, Ghana. Unfortunately, although confirming structure, no areas of highly anomalous gold in soil were indicated.

Despite the disappointing soil assay results, Burey is greatly encouraged by the measured strength, breadth and persistence of the domain of Total Count (TC) radiometric results with initial better showings as follows:

- ❖ A persistent relatively and uniform zone 5+km in strike with a width of 300+m ranging from 4 times to greater than 8 times background;
- ❖ A zone some 2km in strike of over a 300m in width @ 4 to 6 times background;
- ❖ A zone of some 2km in strike over a 500+m in width (dual peaks) @ 4+ times background;
- ❖ Several other strongly anomalous zones of similar intensity require infill radiometric traverses to better assess their persistence/significance;
- ❖ The RS-230 spectrometer suggests this anomalism to be uranium sourced.

The geometry of this domain may be interpreted to be consequent of radiogenic percolation up fault block boundaries of a north-south striking, east dipping reverse fault system and up vertical cross-cutting fractures associated with the local propagation of regional transfer faults.

Planned Work Programme

Burey plans to establish the first vehicle access track into project area. Topography and drainage are favourably disposed to provide direct access and negates the need for any major drainage crossings. In-fill radiometrics are planned for the last calendar Quarter of 2010, with drilling (RC and diamond core) anticipated for early Quarter 1 2011.

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With the significant results returned from Burey's first past radiometric/field mapping programme and appreciating the point that this area has never seen a drill rig, Dion -Koulai presents an opportunity for a significant green-fields discovery. Burey has consequently exercised the option to acquire an 80% interest in the Dion-Koulai licence (prior to adjusting for the Government's 15% interest).

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

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Directors' Report
For the year ended 30 June 2010

Your Directors present their report together with the financial statements of Burey Gold Limited and its controlled entities ("the Consolidated Entities" or "Group"), for the financial year ended to 30 June 2010 and the auditor's report thereon.

DIRECTORS

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

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

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

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

Bruce Stainforth
B.Sc., F.AUSIMM
Chief Executive Officer /
Managing Director
(Director since 6 July 2006)

Bruce Stainforth has over 36 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 Exploration Manager and chief geologist (mine and exploration). He has over 16 years of experience in West Africa and worked previously in Guinea for Gold Fields. Mr Stainforth has not served as a director of any other listed entity in the past three years.

Nigel Munro Ferguson
BSc MAusIMM
Part-time Executive Director
(Director since 23 March 2005)

Nigel Ferguson is a geologist with over twenty three 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 and South America and Africa. From March 2006 to 3 September 2008, Mr Ferguson has been the Chief Executive Officer and a director of Condor Resources plc, a company listed on the London Stock Exchange and exploring for gold, silver and copper in Central America. Mr Ferguson is a director of African Metals Corp (TSXV) and unlisted public company, Samba Minerals Limited.

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

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

CORPORATE INFORMATION

Corporate Structure

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

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

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PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2010 was \$495,910 (30 June 2009: \$313,770). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 0.4 cents (30 June 2009: 0.6 cents)

REVIEW OF OPERATIONS

A review of operations, including information on operations, financial position, strategies and projects of the consolidated entity during the year ended 30 June 2010 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant change in the state of affairs of the consolidated entity occurred during the financial period.

- Burey Gold Limited completed a capital raising of \$2,125,000, through the issue of 85,000,000 shares at \$0.025 each with 85,000,000 free attaching options in August 2009. The funds raised were used to progress ongoing drilling and studies in relation to Burey's Mansounia Gold Project in Guinea and drill testing of Burey's recently acquired uranium / gold properties in Guinea.
- Burey Gold Limited announced a strategic alliance with Perseus Mining Ltd in March 2010. 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. The first tranche, 10,467,500 shares and 10,467,500 options were issued in March 2010 and the second tranche 24,332,500 shares and 24,332,500 options were issued in June 2010, subsequent to receipt of shareholder approval.

EVENTS SUBSEQUENT TO BALANCE DATE

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

- Burey Gold Limited has entered into a mandate agreement with BGF Equities Pty Ltd to place 60 million ordinary shares at an issue price of 10 cents per share to raise \$6 million, with completion anticipated by mid-November 2010.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

Burey Gold Limited
Directors' Report
For the year ended 30 June 2010

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

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors and the number of meetings attended by each Director during the year ended 30 June 2010 are:

	Directors' meetings held during period of office	Directors' meetings attended
R N Gajewski	5	5
B Stainforth	5	5
N M Ferguson	5	4
S M Shah	5	5

There were 5 directors' meetings held during the year. However, matters of board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

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

DIRECTORS' INTERESTS

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

	Fully Paid Ordinary Shares	Options Over Ordinary Shares
R N Gajewski	9,082,949	4,500,000
B Stainforth	1,000,000	5,000,000
N M Ferguson	100,001	500,000
S M Shah	1,300,000	1,300,000

SHARE OPTIONS

As at the date of this report, there were 126,460,000 options on issue.

	Number	Exercise Price	Expiry Date
Listed Options (BYRO)	84,400,000	5 cents	30 June 2011
Unlisted Options	34,800,000	5 cents	30 June 2011
Director Unlisted Options	6,500,000	5 cents	31 December 2012
Employee Unlisted Options	760,000	5 cents	31 December 2012

During or since the end of the financial year end 3,250,000 directors' unlisted options exercisable at 20 cents and 3,250,000 unlisted directors' options exercisable at 25 cents, all with an expiry date of 31 December 2009 were cancelled. 600,000 BYRO options were also exercised.

Options issued during the year are as follows:

Burey Gold Limited
Directors' Report
For the year ended 30 June 2010

- 85,000,000 free attaching options were issued as part of the August 2009 capital raising. These quoted options are exercisable at 5 cents each on or before 30 June 2011.
- 34,800,000 free attaching options were issued to Perseus Mining Ltd in March and June 2010. These options are exercisable at 5 cents each on or before 30 June 2011.
- 6,500,000 options were issued to directors following shareholder approval received at the annual general meeting held on 26 November 2009. These options are exercisable at 5 cents each on or before 31 December 2012.
- 760,000 options were issued to employees and consultants on 24 February 2010. These options are exercisable at 5 cents each on or before 31 December 2012.

REMUNERATION REPORT (audited)

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

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

Remuneration philosophy

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

Remuneration is not linked to past company performance but rather towards generating future shareholder wealth through share price performance.

Remuneration committee

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

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

Remuneration structure

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

Non-executive Directors remuneration

Objective

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

REMUNERATION REPORT (audited) (continued)

Non-executive Directors remuneration (continued)

Structure

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

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

It has been agreed that non-executive directors, excluding the non-executive Chairman shall receive a fee of \$20,000 each per annum from 1 July 2006. The non-executive Chairman shall receive a fee of \$36,000 per annum. Non-executive Directors may also be remunerated for additional specialised services performed at the request of the Board. The remuneration of the non-executive Directors for the year ending 30 June 2010 is detailed in Table 1 of this report.

Executive Directors remuneration

Objective

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

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

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

Fixed remuneration

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

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

The fixed component of the Executive Director remuneration for the year ending 30 June 2010 is detailed in Table 1 of this report.

REMUNERATION REPORT (continued)

Executive Directors remuneration (continued)

Variable remuneration – Long Term Incentive ('LTI')

Objective

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

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

Structure

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

6,500,000 options were granted to the directors on 13 August 2007. These options, all with an expiry date of 31 December 2009, were cancelled in September 2009. 500,000, 5,000,000, 500,000 and 500,000 options were granted to Messrs R Gajewski, B Stainforth, N Ferguson and S Shah (respectively) as an incentive for future services and as a reward for past services following shareholder approval obtained at the 2009 annual general meeting.

Remuneration is not linked to past group performance but rather towards generating future shareholder wealth through share price performance. Burey Gold Ltd listed on 14 December 2006 at 20c per share and the share price at 30 June 2010 was 5c (2009: 3c). The shares recorded high and low points of 7.5c and 2.5c during the year, and are trading at 13.5c on 28th September 2010. The company has recorded a loss each financial year to date as it carries out exploration activities on its tenements. No dividends have been paid.

Employment agreements

Mr Stainforth has entered into an agreement with the Company to be employed as the Managing Director of the Company. With effect from 1 December 2006, his annual remuneration was US\$150,000 with a two year term and six months notice of termination. Mr Stainforth's annual remuneration increased to US\$200,000 from 1 April 2008. Mr Stainforth is expected to spend a majority of his time in West Africa and other components of his remuneration package include reasonable accommodation costs outside Australia, the equivalent of two business class return airfares per annum to Australia, and medical evacuation and insurance cover.

Burey Gold Limited
Directors' Report
For the year ended 30 June 2010

REMUNERATION REPORT (continued)

Directors' remuneration (continued)

Table 1: Director Remuneration for the year ended 30 June 2010

Director		Short term			Post	Equity	Total
		Cash	Cash	Non-Cash	Employment	Value of	
		Salary/Fees	Bonus	Benefits	Superannuation	Options	
		\$	\$	\$	\$	\$	\$
R Gajewski	2010	39,000	-	-	-	10,408	49,408
(Non-executive Chairman)	2009	29,000	-	-	-	-	29,000
B Stainforth	2010	226,709	-	26,160	-	104,082	356,951
(Managing Director)	2009	199,540	-	20,749	-	-	220,289
N Ferguson	2010	30,000	-	-	-	10,408	40,408
(Part time Executive Director)	2009	15,000	-	-	-	-	15,000
S Shah	2010	20,000	-	-	1,800	10,408	32,208
(Non-executive Director)	2009	10,000	-	-	900	-	10,900
Total	2010	315,709	-	26,160	1,800	135,306	478,975
	2009	253,540	-	20,749	900	-	275,189

There were no key management personnel during the year other than the Directors. Payments in relation to Mr Gajewski's and Mr Ferguson's services were made to Vienna Holdings Pty Ltd and Ridgeback Holdings Pty Ltd respectively, being companies controlled by these directors. No long-term or termination benefits arose in either year. With effect from 1 April 2010, Mr Ferguson became a part-time executive director at a fee of \$60,000 per annum.

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

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

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

Directors	Grant and Vesting Date	Grant Number	Expiry Date	Value per option at grant date (A) (cents)	% of Remuneration
R Gajewski (i)	26 November 2009	500,000	31 December 2012	2	21
B Stainforth (i)	26 November 2009	5,000,000	31 December 2012	2	29
N Ferguson (i)	26 November 2009	500,000	31 December 2012	2	26
S Shah (i)	26 November 2009	500,000	31 December 2012	2	32

(A) The options were valued at 2 cents being the value of the options at the date of grant using a Black-Scholes model. The options vested immediately. Other factors and assumptions taken into account in determining the fair value of the options allocated to this reporting period include, price of shares on grant date 3 cents, an exercise price of 5 cents, volatility 130% and risk free interest rate 3.5%. None of these options have been exercised into shares during the year. No options were issued to directors during the year ended 30 June 2009.

(i) All the options are exercisable on or before 31 December 2012. These options were issued on 26 November 2009, following shareholder approval at the annual general meeting held on 26 November 2009. No directors' options were exercised during the year ended 30 June 2009 or up to the date of this financial report.

Burey Gold Limited
Directors' Report
For the year ended 30 June 2010

REMUNERATION REPORT (continued)

Directors' remuneration (continued)

On 17 September 2009, 3,250,000 directors' unlisted options exercisable at 20 cents and 3,250,000 unlisted directors' options exercisable at 25 cents, all with an expiry date of 31 December 2009 were cancelled. These options were originally issued on 13 August 2007 following shareholder approval.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify directors and officers of any entity within the consolidated entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the consolidated entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to \$7,700, relates to:

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

ENVIRONMENTAL REGULATIONS

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

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2009 to 30 June 2010 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

NON AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or consolidated entity is important. During the year ended 30 June 2010 the external auditors did not provide any non-audit services. Refer to Note 4 in the financial statements for further details.

AUDITORS' INDEPENDENCE DECLARATION

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

The independence declaration is located on the next page.

Signed in accordance with a resolution of Directors.



R N Gajewski
Chairman

Perth, 30 September 2010

30th September 2010

The Directors
Burey Gold Limited
30 Ledger Road
BALCATTWA WA 6008

Dear Sirs

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF BUREY GOLD LIMITED

As lead auditor of Burey Gold Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Burey Gold Limited and the entities it controlled during the period.



Glyn O'Brien
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

Burey Gold Limited
Statement of Comprehensive Income
For the year ended 30 June 2010

		Consolidated	
	Notes	2010	2009
		\$	\$
Revenue from continuing operations	2	<u>39,371</u>	<u>97,070</u>
Consultants and corporate costs		(264,386)	(187,703)
Salaries and wages		(52,175)	(64,710)
Share based payments expense	3, 16	(157,067)	-
Depreciation expense	3	(5,878)	(8,531)
Impairment of exploration expenditure	3	(16,086)	(100,134)
Occupancy expenses		(46,366)	(37,403)
Travel expenses	3	(29,156)	(8,337)
Other expenses		<u>35,833</u>	<u>(4,022)</u>
Loss before related income tax		(535,281)	(313,770)
Income tax (expense)/benefit	5	<u>-</u>	<u>-</u>
Loss for the year		<u>(495,910)</u>	<u>(313,770)</u>
Other comprehensive income (loss)			
Exchange differences on translation of foreign operations		<u>(268,298)</u>	448,006
Total comprehensive income / (loss) attributable to members of Burey Gold Ltd		<u>(764,208)</u>	<u>134,236</u>
Basic and diluted (loss) per share	6	(0.4) cents	(0.6) cents

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

Burey Gold Limited
Statement of Financial Position
As at 30 June 2010

		Consolidated	
	Notes	2010	2009
		\$	\$
Current Assets			
Cash and cash equivalents	8	2,372,547	240,265
Trade and other receivables	9	78,516	22,940
Inventories	10	-	13,680
Total Current Assets		2,451,063	276,885
Non-Current Assets			
Property, plant & equipment	11	94,833	133,192
Deferred exploration and evaluation expenditure	12	4,816,122	4,177,660
Total Non-Current Assets		4,910,955	4,310,852
Total Assets		7,362,018	4,587,737
Current Liabilities			
Trade and other payables	13	157,110	162,515
Total Liabilities		157,110	162,515
Net Assets		7,204,908	4,425,222
Equity			
Contributed equity	14	11,502,520	8,115,693
Reserves	16	967,100	1,078,331
Accumulated losses		(5,264,712)	(4,768,802)
Total Equity		7,204,908	4,425,222

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

Burey Gold Limited
Statement of Changes in Equity
for the year ended 30 June 2010

	Contributed Equity	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2008	8,123,668	(4,455,032)	1,017,465	(387,140)	4,298,961
Total comprehensive income for the year	-	(313,770)	-	448,006	134,236
Transactions with equity holders in their capacity as equity holders					
Share issue costs	(7,975)	-	-	-	(7,975)
	(7,975)	-	-	-	(7,975)
Balance at 30 June 2009	8,115,693	(4,768,802)	1,017,465	60,866	4,425,222
Balance at 1 July 2009	8,115,693	(4,768,802)	1,017,465	60,866	4,425,222
Total comprehensive income for the year	-	(495,910)	-	(268,298)	(764,208)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	3,547,000	-	-	-	3,547,000
Share issue costs	(160,173)	-	-	-	(160,173)
Share based payments expense	-	-	157,067	-	157,067
	3,386,827	-	157,067	-	3,543,894
Balance at 30 June 2010	11,502,520	(5,264,712)	1,174,532	(207,432)	7,204,908

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

Burey Gold Limited
Statement of Cash Flows
for the year ended 30 June 2010

	Notes	Consolidated	
		2010	2009
		\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(415,097)	(227,885)
Interest received		29,599	35,392
Net Cash outflows from Operating Activities	21	(385,498)	(192,493)
Cash Flows from Investing Activities			
Payments for plant and equipment		(4,695)	(18,448)
Payment for bank guarantee security deposit		(635)	(601)
Payments for mineral projects acquisition costs		(50,012)	(43,836)
Payments for exploration and development expenditure		(859,538)	(1,308,390)
Loans to other entities		(64,736)	-
Loan repaid by other entities		64,736	-
Reimbursement of exploration expenditure		10,000	-
Net Cash outflows from Investing Activities		(904,880)	(1,371,275)
Cash Flows from Financing Activities			
Proceeds from share and option issues		3,547,000	-
Share issue expenses		(160,173)	(7,975)
Net Cash inflows (outflows) from Financing Activities		3,386,827	(7,975)
Net increase / (decrease) in Cash and Cash Equivalents		2,096,449	(1,571,743)
Cash and cash equivalents at the beginning of the year		240,265	1,816,018
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		35,833	(4,010)
Cash and Cash Equivalents at 30 June	8	2,372,547	240,265

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

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

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

The financial report is presented in Australian dollars.

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Adoption of new and revised standards

In the year ended 30 June 2010, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009.

During the year, certain accounting policies have changed as a result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation – revised AASB 127 *Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity and Associate*
- Business combinations – revised AASB 3 *Business Combinations*
- Segment reporting – new AASB 8 *Operating Segments*

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2010. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Statement of compliance

These financial statements were authorised for issue on 30 September 2010.

The financial statements comprising the financial statements and notes thereto, comply with International Financial Reporting Standards (IFRS).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Consolidation

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

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

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

Parent Entity Financial Information

The financial information for the parent entity, Burey Gold Ltd, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements.

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

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

Cash and cash equivalents

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

Receivables

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

Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts.

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Foreign currency transactions and balances

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

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

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

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

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

The functional currencies of the overseas subsidiaries are as follows:

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

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

Taxes

Income tax

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity. In accordance with Australian Accounting Interpretations, "Substantive Enactment of Major Tax Bills in Australia", the financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2010, 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 statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

Investments and other financial assets

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

Loans and receivables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, Plant and Equipment

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

Plant and equipment

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

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

Depreciation

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

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

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

Mineral interest acquisition, exploration and development expenditure

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

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

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

Impairment testing

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

Joint Ventures

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

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Long service leave

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

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.

Share based payments

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

Segment Reporting

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

Change in Accounting Policy

The group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. Comparatives for 2009 have been restated.

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 Limited
Notes to the Accounts
for the year ended 30 June 2010

	Notes	Consolidated	
		2010	2009
		\$	\$
2. REVENUE			
Other revenue			
Interest - other parties		29,371	35,315
Reversal of stamp duty provision		-	61,755
Reimbursement of exploration expenditure		10,000	-

3. EXPENSES

Loss includes the following specific expenses:

Other expenses include:

Auditor's remuneration	4	28,089	29,930
Depreciation expense		5,878	8,531
Exploration expenditure written off		16,086	100,134
Foreign exchange (gain) / loss		(35,833)	4,010
Share based payments expense		157,067	-
Superannuation		1,800	900
Travel and accommodation		29,156	8,337

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Company – BDO Audit (WA) Pty Ltd		28,089	29,930
- Amounts paid for other services or to related practices of the auditor.		-	-
- Amounts paid to non BDO Audit (WA) Pty Ltd audit firms for audit or review of the financial report of subsidiaries		6,801	7,099

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

Consolidated
2010 2009
\$ **\$**

5. INCOME TAX EXPENSE

(a) The prima facie tax benefit at 30% on loss for the year is reconciled to the income tax provided in the financial statements as follows:

Loss	495,910	313,770
Prima facie income tax benefit @ 30%	148,773	94,131
Tax effect of permanent differences:		
Capital raising costs	49,359	37,228
Entertainment	(30)	(57)
Exploration expenses	244,904	328,688
Employee option expense	(47,120)	-
Legal fees	(1,847)	-
	394,039	459,990
Income tax benefit not brought to account	(394,039)	(459,990)
Income tax expense	-	-

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

Deferred Tax Assets at 30%:		
- Carry forward revenue losses	1,969,379	1,587,785
- Capital raising costs	85,368	74,075
- Provisions and accruals	156	1,342
	2,054,903	1,663,202

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

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

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

Consolidated
2010 2009
cents **cents**

6. EARNINGS PER SHARE

Basic and diluted loss per share	(0.4)	(0.6)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	130,043,606	54,569,003

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

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

7. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being mineral exploration in Australia and West Africa. The Group is focused on mineral exploration and the Board monitors the Group based on actual versus budgeted exploration expenditure incurred on the individual areas of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing activities, while also taking into consideration the results of exploration work that has been performed to date.

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

	Australia		West Africa		Consolidated	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Revenue						
Reportable segment	10,000	61,755	-	-	10,000	61,755
Unallocated revenue	29,371	-	-	-	29,371	35,315
Total revenue	39,371	61,755	-	-	39,371	97,070
Results						
Operating loss before income tax	(471,133)	(174,078)	(54,148)	(175,007)	(525,281)	(349,085)
Unallocated profit/(loss)					29,371	35,315
Income tax expense					-	-
Net loss					(495,910)	(313,770)
Non-Cash Expenses						
Depreciation	316	1,167	5,562	7,364	5,878	8,531
Assets						
Reportable segment assets	2,181,988	166,594	5,180,030	4,421,143	7,362,018	4,587,737
Non-current assets acquired	16,086	11,885	871,053	1,246,160	887,139	1,258,045
Liabilities						
Reportable segment liabilities	43,782	50,179	113,328	112,336	157,110	162,515

Consolidated	
2010	2009
\$	\$

8. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	2,372,574	240,265
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- Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer note 17(iv)

- An amount of \$11,236 is held as a deposit as collateral for the provision of credit card facilities used by an employee of the consolidated entity in the course of his employment. This amount is not included in note 8, cash and cash equivalents.

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
9. TRADE AND OTHER RECEIVABLES		
Current		
Prepayments	48,556	2,981
Other receivables (i)	29,960	19,959
	78,516	22,940

(i) Included in other receivables is an amount of \$11,236, held as a deposit as collateral for the provision of credit card facilities used by an employee of the consolidated entity in the course of his employment.

Refer notes 17(a) and 17(b) for information about the Group's exposure to credit and liquidity risk.

	Consolidated	
	2010	2009
	\$	\$
10. INVENTORIES		
Raw materials and stores – at cost	-	13,680

	Consolidated	
	2010	2009
	\$	\$
11. PROPERTY, PLANT AND EQUIPMENT		
<i>Plant and equipment</i>		
At cost	213,642	220,537
Less accumulated depreciation	(118,809)	(87,345)
	94,833	133,192

Reconciliation

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

Balance at the beginning of the year	133,192	139,078
Additions	4,695	18,448
Depreciation expense	(5,878)	(8,531)
Depreciation capitalised to exploration	(28,886)	(33,668)
Foreign currency translation difference movement	(8,290)	17,865
Carrying amount at the end of the year	94,833	133,192

Burey Gold Limited
Notes to the Accounts
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	Consolidated	
	2010	2009
	\$	\$
12. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE		
Balance at the beginning of the year	4,177,660	2,603,922
Acquisition costs incurred	50,012	43,836
Expenditure incurred during the year	832,432	1,195,760
Exploration expenditure written off during the year	(16,086)	(100,134)
Foreign currency translation difference movement	(227,896)	434,276
Carrying amount at the end of the year	4,816,122	4,177,660

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

13. TRADE AND OTHER PAYABLES

Current

Trade payables	99,448	51,377
Other payables	57,662	111,138
	157,110	162,515

Terms and conditions relating to the above financial instruments:

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

Risk exposure:

Information about the group's risk exposure to foreign exchange risk is provided in note 17.

	Consolidated	
	2010	2009
	\$	\$

14. CONTRIBUTED EQUITY

(a) Issued and paid-up share capital

Ordinary shares, fully paid 174,969,003 (2009: 54,569,003)	11,502,520	8,115,693
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Movements in Ordinary Shares:

<i>Details</i>	Number of Shares	Issue Price	\$
Balance at 1 July 2008	54,569,003		8,123,668
Share issue expenses	-		(7,975)
Balance at 30 June 2009	54,569,003		8,115,693
Placement of shares August 2009	85,000,000	\$0.025	2,125,000
Placement of shares to Perseus Mining Ltd	34,800,000	\$0.04	1,392,000
Shares issued on conversion of options	600,000	\$0.05	30,000
Share issue expenses	-		(160,173)
Balance at 30 June 2010	174,969,003		11,502,520

Burey Gold Limited
Notes to the Accounts
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14. CONTRIBUTED EQUITY (continued)

(b) Share Options

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

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2010	Options Issued 2009/10	Options Exercised/ Cancelled 2009/10	Closing Balance 30 June 2010
			<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
On or before 31 December 2009	(i)	\$0.20	3,250,000	-	(3,250,000)	-
On or before 31 December 2009	(i)	\$0.25	3,250,000	-	(3,250,000)	-
On or before 30 June 2011		\$0.05	-	85,000,000	(600,000)	84,400,000
On or before 30 June 2011	(ii)	\$0.05	-	34,800,000	-	34,800,000
On or before 31 December 2012		\$0.05	-	6,500,000	-	6,500,000
On or before 31 December 2012		\$0.05	-	760,000	-	760,000
			6,500,000	127,060,000	(7,100,000)	126,460,000

(i) These Directors' options were cancelled during the year.

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

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

(ii) A term of these 34.8 million options is that in the event they are exercised, one "piggyback" option will be issued for each option exercised. The piggyback options will be exercisable at 8 cents each on or before 31 December 2012.

(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.

15. SHARE BASED PAYMENTS EXPENSE

Employee Option Plan -

In August 2007, the Company adopted the Burey Gold Limited Employee Option Plan ("Plan"). The Plan allows Directors from time to time to invite eligible employees to participate in the Plan and offer options to those eligible persons. The Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is three years. There are no cash settlement alternatives. 760,000 options were issued under the plan during the year ended 30 June 2010.

Non Plan based payments

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

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

Burey Gold Limited
Notes to the Accounts
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15. SHARE BASED PAYMENTS EXPENSE (continued)

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

	2010 No.	2010 Weighted average exercise price	2009 No.	2009 Weighted average exercise price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	760,000	\$0.05	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	<u>760,000</u>	<u>\$0.05</u>	<u>-</u>	<u>-</u>

The outstanding balance as at 30 June 2010 is represented by:

Number	Exercise period	Exercise price
760,000	On or before 31 December 2012	\$0.05
<u>760,000</u>		

The fair value of the equity-settled share options granted under the Plan is estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted. The weighted average fair value of options granted under the Plan during the year was \$0.029.

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

	2010	2010	2009	2009
	Number	\$	Number	\$
Options to directors for services (i)	6,500,000	135,306	-	-

(i) 2010 - The directors' options vested immediately.

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

The weighted average fair value of options granted during the financial year ended 30 June 2010 was \$0.02 each. No options were issued during the financial year ended 30 June 2009. The following table lists the inputs to the model used for the year ended 30 June 2010:

	Directors Options	Employee Options
Volatility (%)	130	130
Risk-free interest rate (%)	3.5	4.81
Expected life of option (years)	3	3
Exercise price (cents)	5	5
Weighted average share price at grant date (cents)	3	4

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

6,500,000 Directors' options were cancelled during the year.

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

16. RESERVES

	Consolidated	
	2010	2009
	\$	\$
Option Premium (note 16a)	1,174,532	1,017,465
Foreign Currency Translation (note 16b)	(207,432)	60,866
	967,100	1,078,331
(a) Movement During the Year – Option Premium		
Opening balance	1,017,465	1,017,465
Issue of directors options	135,306	-
Issue of employee / consultants options	21,761	
Closing balance	1,174,532	1,017,465
(b) Movement During the Year – Foreign Currency Translation		
Opening balance	60,866	(387,140)
Foreign currency translation differences	(268,298)	448,006
Closing balance	(207,432)	60,866

Nature and purpose of reserves

Option Premium Reserve

The option premium reserve is used to recognise the grant date fair value of options issued to employees but not exercised (share-based payments). Also included in the option premium reserve are amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company (2007 option entitlement issue: \$226,350).

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.

17. FINANCIAL INSTRUMENTS

Overview

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

- credit risk
- liquidity risk
- market risk

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

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

(a) Credit Risk

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

(i) Investments

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

Burey Gold Limited
Notes to the Accounts
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17. FINANCIAL INSTRUMENTS (continued)

(ii) Receivables

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

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

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Company does not have any material risk exposure to any single debtor or group of debtors.

(b) Liquidity Risk

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

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

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

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

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

	Less than 6 months	6 – 12 months	Over 1 year	Total
	\$	\$	\$	\$
Group at 30 June 2010				
Financial Liabilities:				
Current:				
Trade and other payables	157,110	-	-	157,110
Total Financial Assets	157,110	-	-	157,110
Group at 30 June 2009				
Financial Liabilities:				
Current:				
Trade and other payables	162,515	-	-	162,515
Total Financial Assets	162,515	-	-	162,515

Burey Gold Limited
Notes to the Accounts
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17. FINANCIAL INSTRUMENTS (continued)

(c) Market Risk

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

(i) Foreign exchange risk

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

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

(ii) Exposure to foreign exchange risk

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

Notes	30 June 2010		30 June 2009	
	Assets \$	Liabilities \$	Assets \$	Liabilities \$
United States Dollar	800,896	109,060	94,892	96,049
Ghanaian New Cedi	11,002	4,267	13,539	8,780
	811,898	113,327	108,431	104,829

The following significant exchange rates applied during the year:

Notes	Average rate		Reporting date spot rate	
	2010 \$	2009 \$	2010 \$	2009 \$
United States Dollar	0.88	0.75	0.86	0.80
Ghanaian New Cedi	1.28	0.97	1.25	1.22

(iii) Sensitivity analysis

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

	Notes	Consolidated	
		2010 \$	2009 \$
(Profit) or loss	(i)	69,180	7,600
Equity	(ii)	(5,711)	(9,308)

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

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

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

17. FINANCIAL INSTRUMENTS (continued)

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

(iv) Interest Risk

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

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

2010	Weighted Average effective interest rate	Floating interest rate \$	Fixed interest rate maturing in:		Non- interest bearing \$	Total \$
			1 year or less \$	Over 1 year \$		
Financial Assets:						
Current:						
Cash and cash equivalents	2.91%	1,622,799	-	-	760,984	2,383,783
Receivables		-	-	-	29,960	29,960
Total Financial Assets		1,622,799	-	-	790,944	2,413,743
Financial Liabilities:						
Current:						
Trade and other payables		-	-	-	157,110	157,110
Total Financial Liabilities		-	-	-	157,110	157,110

2009	Weighted Average effective interest rate	Floating interest rate \$	Fixed interest rate maturing in:		Non- interest bearing \$	Total \$
			1 year or less \$	Over 1 year \$		
Financial Assets:						
Current:						
Cash and cash equivalents	5.58%	149,169	-	-	101,696	250,865
Receivables		-	-	-	19,959	19,959
Total Financial Assets		149,169	-	-	121,655	270,824
Financial Liabilities:						
Current:						
Trade and other payables		-	-	-	162,515	162,515
Total Financial Liabilities		-	-	-	162,515	162,515

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

Burey Gold Limited
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17. FINANCIAL INSTRUMENTS (continued)

Cash flow sensitivity analysis for variable rate instruments

The Group holds working capital in transaction accounts at variable interest rates. If the interest rates had increased or decreased by 100 basis points (100bps) from the year end rates (based on forward treasury rates) with all other variables held constant, profit would increase or decrease by \$23,725.

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

	Carrying Amount \$	Profit \$	Interest rate risk		Equity \$
			-100 bps	+100 bps	
2010					
Financial assets					
Cash and cash equivalents	2,372,547	(23,725)	(23,725)	23,725	23,725
Total increase / (decrease)		(23,725)	(23,725)	23,725	23,725
2009					
Financial assets					
Cash and cash equivalents	240,265	(2,403)	(2,403)	2,403	2,403
Total increase / (decrease)		(2,403)	(2,403)	2,403	2,403

(d) Net fair values

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

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

(e) Capital risk management

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

There are no externally imposed capital requirements.

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

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

Burey Gold Limited
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18. COMMITMENTS

There were no capital commitments, not provided for in the financial statements as at 30 June 2010, other than:

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

19. CONTINGENCIES

There were no contingent liabilities of the consolidated entity not provided for in the financial statements at 30 June 2010.

20. INTERESTS IN JOINT VENTURES

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

	Consolidated	
	2010	2009
	\$	\$
21. STATEMENTS OF CASH FLOWS		
(a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss after income tax	(495,910)	(313,770)
Add back non-cash items:		
Depreciation	5,878	8,531
Exploration expenditure written off	16,086	100,134
Share based payments expense	157,067	-
Reversal of provision	-	(61,755)
Exchange rate adjustment	-	4,010
Change in assets and liabilities:		
Decrease / (Increase) in receivables	(41,896)	63,293
Increase / (Decrease) in operating payables	(26,723)	7,064
Net cash outflow from operating activities	(385,498)	(192,493)

(b) Non-Cash Financing and Investing Activities

There were no non-cash financing and investing activities during the financial years ended 30 June 2010 (2009: Nil).

Burey Gold Limited
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22. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

Executive Directors	Non Executive Directors
Mr Bruce Stainforth	Mr Ron Gajewski
Mr Nigel Ferguson (part-time from 1 April 2010)	Mr Susmit Shah
	Mr Nigel Ferguson (to 31 March 2010)

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

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

	Consolidated	
	2010	2009
	\$	\$
Short-term employee benefits	341,869	274,289
Post-employment benefits	1,800	900
Share-based payments	135,306	-
	478,975	275,189

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:

30 June 2010	Balance at 1 July 2009	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2010
<i>Parent entity directors</i>					
Ron Gajewski	2,900,001	-	-	5,682,948	8,582,949
Bruce Stainforth	1,000,000	-	-	-	1,000,000
Nigel Ferguson	100,001	-	-	-	100,001
Susmit Shah	500,000	-	-	800,000	1,300,000
30 June 2009	Balance at 1 July 2008	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2009
<i>Parent entity directors</i>					
Ron Gajewski	2,900,001	-	-	-	2,900,001
Bruce Stainforth	1,000,000	-	-	-	1,000,000
Nigel Ferguson	100,001	-	-	-	100,001
Susmit Shah	500,000	-	-	-	500,000

Other movements refer to shares purchased or sold during the financial year. Messrs Gajewski and Shah participated in the August 2009 placement following shareholder approval received on 14 August 2009.

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

22. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Optionholdings

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

30 June 2010	Balance at 1 July 2009	Received as Remuneration	Options Expired or Cancelled	Other Movements	Balance at 30 June 2010
<i>Parent entity directors</i>					
Ron Gajewski	1,500,000	500,000	(1,500,000)	4,000,000	4,500,000
Bruce Stainforth	3,000,000	5,000,000	(3,000,000)	-	5,000,000
Nigel Ferguson	1,000,000	500,000	(1,000,000)	-	500,000
Susmit Shah	1,000,000	500,000	(1,000,000)	800,000	1,300,000
30 June 2009	Balance at 1 July 2008	Received as Remuneration	Options Expired or Cancelled	Other Movements	Balance at 30 June 2009
<i>Parent entity directors</i>					
Ron Gajewski	2,950,000	-	(1,450,000)	-	1,500,000
Bruce Stainforth	3,500,000	-	(500,000)	-	3,000,000
Nigel Ferguson	1,050,000	-	(50,000)	-	1,000,000
Susmit Shah	1,250,000	-	(250,000)	-	1,000,000

Other movements refer to participation in the August 2009 placement following shareholder approval received on 14 August 2009.

The options issued to directors during the 2010 financial year were issued as a reward for past services and as incentive for future performance.

All options are vested and exercisable at balance date.

Other transactions with key management personnel

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

	Consolidated	
	2010	2009
	\$	\$
Accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Gajewski and Mr Shah are directors and have beneficial interests.	96,428	84,520
<i>Balances due to Directors and Director Related Entities at year end</i>		
- included in trade creditors and accruals	74,785	109,054

Burey Gold Limited
Notes to the Accounts
for the year ended 30 June 2010

23. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 22.

(b) Parent entity

Burey Gold Limited is the ultimate parent entity.

24. PARENT ENTITY DISCLOSURES

Financial position

	2010	2009
	\$	\$
Assets		
Current assets	2,181,988	166,278
Non-current assets	5,116,149	4,036,674
Total assets	<u>7,298,137</u>	<u>4,202,952</u>
Liabilities		
Current liabilities	43,782	50,729
Non-current liabilities	-	-
Total liabilities	<u>43,782</u>	<u>50,729</u>
Equity		
Issued capital	11,502,520	8,115,693
Retained earnings	(5,422,697)	(4,098,935)
Reserves		
Share-based payments	1,174,532	1,017,465
Total equity	<u>7,254,355</u>	<u>4,152,223</u>

Financial performance

	2010	2009
	\$	\$
Profit for the year	441,762	138,763
Other comprehensive income	-	-
Total comprehensive income	<u>441,762</u>	<u>138,763</u>

Contingent liabilities of the parent entity

The parent entity does not have any contingent liabilities.

For details on commitments, see Note 18.

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

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

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

Interest in Subsidiaries

		Place of Incorporation	Consolidated Entity Interest 2010	Consolidated Entity Interest 2009	Class of Shares
Parent Entity			%	%	
Burey Gold Ltd		Australia			
Subsidiary					
Burey Gold (Ghana) Ltd	Ord	Ghana	100	100	Ord
Burey Gold Guinee sarl	Ord	Guinea	100	100	Ord
Burey Resources Pty Ltd	Ord	Australia	100	100	Ord

25. EVENTS OCCURRING AFTER THE REPORTING DATE

There are no matters or circumstances that have arisen since 30 June 2010 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years, other than:

- Burey Gold Limited has entered into a mandate agreement with BGF Equities Pty Ltd to place 60 million ordinary shares at an issue price of 10 cents per share to raise \$6 million, with completion anticipated by mid-November 2010.

Burey Gold Limited
Directors' Declaration
for the year ended 30 June 2010

In the opinion of the Directors:

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including Australian Accounting Standards) and Corporations Regulations 2001; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The financial statements and notes thereto include an explicit and unreserved statement of compliance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2010.

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

On behalf of the Board



R N Gajewski
Chairman

Dated at Perth on the 30th day of September 2010



Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

Report on the Financial Report

We have audited the accompanying financial report of Burey Gold Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



Auditor's Opinion

In our opinion the financial report of Burey Gold Limited is in accordance with the *Corporations Act 2001*, including:

- (a) the financial report of Burey Gold Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Burey Gold Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Glyn O'Brien
Director

Perth, Western Australia
Dated this 30th day of September 2010

Burey Gold Limited
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STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

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

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

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

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

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

The Company's corporate governance practices were in place throughout the financial year ended 30 June 2010 and were compliant, unless otherwise stated, with the CGC's principles and recommendations, which are noted below. The Board as a whole is involved in matters where larger Boards would ordinarily operate through sub-committees. For these reasons, some of the best practices recommended by CGC are not cost effective for adoption in a small company environment.

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

Principle 1 Recommendation 1.1

Notification of Departure:

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

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STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Explanation for Departure:

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

The Company had one executive, being the Managing Director, up until 1 April 2010 when Mr Ferguson was appointed part-time executive director. The Managing Director is responsible for ensuring that the Company achieves the goals established by the Board.

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

Principle 1 Recommendations 1.2 and 1.3

As mentioned above, the Company has one executive, being the Managing Director and one part-time executive director. The Company has no senior executives other than these two Directors at this stage.

Principle 2 Recommendations 2.1 and 2.2

Notification of departure

Mr Ron Gajewski, previously the executive chair, is not independent in accordance with the test of independence as set out in Box 2.1 of the ASX Corporate Governance Principles and Recommendations. In addition the Company does not have a majority of independent directors, with only one of the four Board members being independent up to 1 April 2010, after which there are no independent directors.

Explanation for departure

The Board considers that the current composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. The current Board structure presently consists of the non-executive chairman, the managing director, a part-time executive director and one non-executive director. Mr Gajewski reduced his directorship from an executive role to a non-executive role from 1 November 2008 and may be considered independent from 1 July 2009, although he has been a substantial shareholder in the Company at times during the financial year. Mr Ferguson increased his directorship to a part-time executive role from 1 April 2010. The Company considers that each of the directors possess skills and experience suitable for building the Company. The Board takes the responsibilities of best practice in corporate governance seriously. It is the Board's intention to review its composition on a continual basis as the Company's expands its activities and greater demands and skills amongst directors become necessary.

Principle 2 Recommendation 2.4 and Principle 4 Recommendations 4.1

Notification of Departure

Separate audit and nomination committees have not been formed.

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STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Explanation for Departure

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

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

Principle 3 Recommendation 3.1

Notification of Departure:

The Company has not established a formal code of conduct.

Explanation for Departure:

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

Principle 5 Recommendation 5.1

Notification of Departure:

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

Explanation for Departure:

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

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

Principle 6 Recommendation 6.1

Notification of Departure:

The Company has not established a formal shareholder communication strategy.

Explanation for Departure:

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

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

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STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Principle 7 Recommendation 7.1

Notification of Departure:

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

Explanation for Departure:

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

Principle 8 Recommendation 8.1

Notification of Departure:

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

Explanation for Departure:

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

Principle 8 Recommendation 8.2

Notification of Departure:

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

Explanation for Departure:

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

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Shareholder Information

The shareholder information set out below was applicable as at 22 September 2010.

Substantial shareholders

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

Shareholder	Number of Shares
Ron Norbert Gajewski, Redtown Enterprises Pty Ltd and Vienna Holdings Pty Ltd	8,582,949
Perseus Mining Limited	34,800,000

Distribution of equity security holders

Size of Holding	Ordinary Shares	Listed Options	Unlisted Options
1 to 1,000	9	-	-
1,001 to 5,000	43	-	-
5,001 to 10,000	80	1	-
10,001 to 100,000	330	33	-
100,001 and over	161	90	1
	<u>623</u>	<u>124</u>	<u>1</u>

The number of shareholdings comprising less than a marketable parcel was 38.

Twenty Largest Shareholders as at 22 September 2010	Number of Shares	% Held
Perseus Mining Ltd	34,800,000	19.889
ANZ Nominees Limited	13,695,175	7.827
Vienna Holdings Pty Ltd	8,682,948	4.963
Sell Power Pty Ltd	8,331,000	4.761
Yarandi Investments Pty Ltd	5,690,000	3.252
Mr Michael Lynch	4,760,000	2.720
P R Perry Nominees Pty Ltd	4,721,000	2.698
HSBC Custody Nominees (Australia) Limited	3,660,000	2.092
Wall Street Nominees Pty Ltd	3,572,566	2.042
St Barnabas Investments Pty Ltd	3,080,483	1.761
Auralandia NL	3,000,000	1.715
ABN Amro Clearing Sydney Nominees Pty Ltd	2,231,756	1.276
Citicorp Nominees Pty Ltd	2,108,000	1.205
Technica Pty Ltd	2,000,000	1.143
JP Morgan Nominees Australia Limited	1,808,911	1.034
Oceanic Capital Pty Ltd	1,714,700	0.980
Mr Grant Thomas Paterson	1,700,000	0.972
National Nominees Limited	1,655,646	0.946
Westside International Pty Ltd	1,341,000	0.766
Florin Mining Investment Company Limited	1,200,000	0.686
	<u>109,753,185</u>	<u>62.728</u>

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Twenty Largest Optionholders as at 22 September 2010	Number of Options	% Held
ANZ Nominees Limited	7,900,000	9.360
Yarandi Investments Pty Ltd	6,000,000	7.109
Troca Enterprises Pty Ltd	4,850,000	5.746
Vienna Holdings Pty Ltd	4,000,000	4.739
Mr Michael Lynch	3,850,000	4.562
Swancave Pty Ltd	2,912,000	3.450
Sgian Dubh Pty Ltd	2,200,000	2.607
Oceanridge Limited	2,120,000	2.512
Wall Street Nominees Pty Ltd	4,000,000	4.740
Mr Geoff Barnes	2,000,000	2.370
Charub Pty Ltd	1,469,486	1.741
Oceanic Capital Pty Ltd	1,450,000	1.718
Florin Mining Investment Company Limited	1,400,000	1.659
St Barnabas Investments Pty Ltd	1,200,000	1.422
Megastone Pty Ltd	1,145,000	1.357
JHC Investments Pty Ltd	1,000,000	1.185
Mr Michael Davies	1,000,000	1.185
Osiris Capital Investments Pty Ltd	1,000,000	1.185
Manotel Pty Ltd	1,000,000	1.185
Mr Brad McElroy	1,000,000	1.185
	51,496,486	61.017

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Class	Number	Holders
Options – exercisable at 5 cents each on or before 30 June 2011	34,800,000	Perseus Mining Limited
Options - exercisable at 5 cents on or before 31 December 2012	6,500,000	Directors - B Stainforth (5,000,000) R Gajewski (500,000), N Ferguson (500,000), S Shah (500,000)
Options - exercisable at 5 cents each and expiring on 31 December 2012	760,000	Issued under the Company's Employee Option Plan

Potential Change in Control

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

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

The issue of shares upon the exercise of options could result in Perseus's interest in the Company's issued shares exceeding 20%.

Perseus's interest in issued shares at present: 19.89%

Perseus's voting power could be in the range 19.89% to 37.8%, if Perseus exercises all its options and piggyback options and no other shares are issued by the Company.

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Mineral Interests held at 8 October 2010 are as follows:-

Guinea, West Africa

<i>Location</i>	<i>Concession name and type</i>	<i>Registered Holder</i>	<i>File Number</i>	<i>Burey's current equity interest</i>	<i>Maximum equity interest capable of being earned</i>	<i>Notes</i>
Guinea	Mansounia Exploration Permit	Caspian Oil & Gas Ltd	A2009/009/DIGM /CPDM to February 2011	-	85%	1,2,3
Guinea	Balatindi Exploration Permit	Africa Banawa Mining SARLU	A2009/022/DIGM /CPDM to February 2011	-	90%	4, 5
Guinea	Dion Koulai Exploration Permit	Claude Consulting and Exploration Guinea (2CE) SARL	A2009/159/DIGM /CPDM to July 2012	80%	80%	4,6
Guinea	Kossanke Exploration Permit	Societe Nonsimba Gold Fields sarl	A 2009/139/DIGM/CPDM to July 2012	-	95%	4, 7
Guinea	Sabiri Mira	Claude Consulting and Exploration Guinea (2CE) SARL	-	-	80%	4,6

Notes:

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