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## SEPTEMBER 2010 QUARTERLY ACTIVITY REPORT

### Highlights

- At Balatindi, the Company completed detailed in-fill gridding (N-S, E-W on a 25m x 25m spacing) to measure the radiometric response over the 5 areas of strongest surface radiometric (TC) response detected by Burey's ground surveys in previous quarters. The contouring of the detailed grid provides a focus for drill targeting. Results confirm the wide area of structurally controlled uranium anomalism and have provided target areas to focus a first-pass drill programme.
- Completed the necessary drill programme preparations at the Mansounia Project in readiness for the arrival of an earth moving contractor and a drilling contractor.
- At Dion Koulai, interpretation of the first-pass field programme results was completed and has highlighted areas for drill targeting.
- Executed an agreement with Nonsimba Gold Fields sarl, allowing Burey the right to secure up to an 80% right in the non-government interest of the 354km<sup>2</sup> Kossanke Licence which is considered prospective for gold mineralisation as indicated by 8km of NNE trending historical workings returning some significant gold intercepts from trenching and reverse circulation drilling along a 2km segment of the trend which include: 6 metres @ 3.5g/t gold; 3 metres @ 92g/t gold; 24 metres @ 1.73g/t gold and 4 metres @ 5.45g/t gold.
- Executed agreement with Amco Limited who will undertake both RC and diamond drilling services within Guinea, with drilling commencing at the end of the September Quarter at the Balatindi Licence, Kerouane Project.
- 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. Tranche 1 of the capital raising for \$2.5 million was completed in early October 2010, with Tranche 2 for the remaining \$3.5 million scheduled for completion around 12 November 2010.
- Appointed BGF Equities Pty Ltd to provide ongoing corporate advisory services.

## Activity Update

Burey Gold has continued to review the potential of additional gold targets in the Siguri Basin in Guinea. During the quarter Burey completed negotiations and executed an agreement with a Guinean company, Nonsimba Gold Fields sarl. This enables Burey to secure up to 80% of the non-government interest in the Kossanke Licence located in the Prefecture of Mandiana, Haute Guinee, near to the Mali border.

During the September Quarter, Burey concluded negotiations with drilling contractor Amco and a schedule of works of two drilling phases were designed to commence the Company's subsurface investigations at Balatindi. This schedule of works commenced with the first diamond drill hole (*Hole BLDD001*) being collared in the last week of the September Quarter.

Balatindi Programme 1 is designed to assess the economic tenor, attitude and potential tonnage of the large polymetallic anomaly (Au, Cu, U) identified by Burey from interrogation of the recovered part of Mining Italiana's digital database for Balatindi. The programme nominally comprises up to 20 sub-vertical HQ diamond drill holes for an aggregate of approximately 5,000m.

Balatindi Programme 2 is a set of inclined, shorter hole (100-150m) RC traverses, aggregating between 2,000m to 3,000m to assess the tenor and significance of five areas of well developed radiometric response within the broad zone of radiometric anomalism which Burey has identified to extend beyond the gold anomaly (9km x 2km) to cover some 16km x 6km.

The inclusion of limited diamond drilling within Programme 2 will also be advantageous, early in the project's life to establish the genesis of the uranium mineralisation.

Drilling at the Mansounia Project is scheduled to resume in the latter part of the 2010 December Quarter under the Amco Drilling agreement. Once the Mansounia work is concluded, the drill rig will be mobilised to conduct drill traverses on the strong radiometric anomalism Burey has located (and by then will have in-fill gridded) on the Dion- Koulai property. It is anticipated that RC drilling will then follow to test soil anomalies located on the newly acquired Kossanke property.

The Presidential run-off election scheduled for 24 October 2010 was postponed and 7 November 2010 has been set as the new date for the election featuring two candidates.

## PROJECTS

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

#### *Activities during the September quarter*

Burey's plan to resume the extension and infill drill program at Mansounia (previously thwarted by unseasonal wet weather) remained on hold pending the essential need to secure a capable earth moving contractor and a drill rig.

Burey had completed the necessary drill programme logistical arrangements (access, site and pad preparations, consumable purchases, fuel, QA/QC standard stocks etc) previously at Mansounia but the intervening wet weather has rendered essential the need to, yet again, redress preparatory drill site access and drill pad preparations before drilling can resume.

Artisanal activity continued through the Quarter with activity along Sinkalimba Creek to the south of the current Mansounia Gold Deposit ("MGD") resource. Other artisans have followed and reported success in the area discovered and named "The Magnificent" by Burey, targeted for drill testing the sulphide bearing volcanic breccia outcrop (diatrema?) interpreted to be a potential host for gold mineralisation located in the SE quadrant of the property.

### ***Planned Work Programme***

Following agreement with Amco, drilling is now planned to commence in latter part of the 2010 December Quarter.

The resumption of drilling at Mansounia will see:

- Exploratory drill fences across the SW extensions to known mineralisation along a sub-cropping mafic dyke which passes to the Southwest 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. Eluvial workings are gathered below those slopes.
- 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) 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%)**

The focus of Burey's work is now directed to ascertain whether the known uranium, gold and copper mineralisation at Balatindi has the potential to realise both an economic tenor and a potentially viable disposition. This will require drilling a series of diamond drilled core and reverse circulation 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 a previous explorer, Mining Italiana (MI) from the government mines department - 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 had focussed on the strong gold anomaly located by the 2001 soil sampling programme and included: pit and trench assay logs; drill logs and assays for two diamond drilling campaigns of 26 holes; a petrological report on selected drill core samples; a local ground magnetic survey; a local Induced Polarisation survey plan and pseudo-sections; a regional Landsat Image study searching for regional showings of hydrothermal alteration; and a synoptic interpretation of the local magnetic resistivity and soil-in-gold response.

Importantly, the review of this data has affirmed Burey's belief in the primary setting of uranium mineralisation, suggesting a setting with a strong IOCGU (oxidized iron, copper, gold, uranium) affinity.

Contouring of soil-gold and radiometric data suggests a common structural fabric influences the surface distribution of these metals at Balatindi.

The radiometric anomaly appears more extensive than that of gold with the latter within and appearing to sit over and about the radiometric peak. The radiometric response is generally continuous within any given domain (thrust related?) but, as with gold, appears disrupted by (younger) N-S monzonite dykes.

### ***Activities during September Quarter***

The first pass detailed systematic ground-borne radiometric and geological mapping programme commenced in the March Quarter of 2009 and was completed early in the September Quarter of 2009. Preliminary results located encouraging elevated radiometric responses in geologically encouraging settings. Additionally, geological structures were identified which appear to control the distribution of established uranium and gold mineralisation.

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

Activity during the Quarter focused on preparation for a drill program, with generation of drill targets based on the programs carried out in 2009 and the first half of 2010 which included a late programme of detailed gridding using N-S, E-W 25m x 25m grids to cover the five areas of strongest surface radiometric anomalism

### ***Planned Work Programmes***

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

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

Programme 2 – A set of inclined, shorter hole (100-150m) RC traverses aggregating between 2,000m to 3,000m to test five strongly surficial expressions from within the broad radiometric anomaly which Burey has identified to extend beyond the broad gold anomaly and will 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 mineralisation.

Following the preparation of access tracks and drill pads for Programme 1, diamond drilling (Hole BLDD001) commenced at Balatindi in the last week of September, 2010.

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

#### ***Background***

The Dion-Koulai permit, granted in July 2009, covers a North-South rectangular area of 298km<sup>2</sup> lying immediately west and to the southwest of the village of Karala and some 125km to 165km Southeast of the regional centre of Kankan.

#### ***Regional Setting***

The Dion-Koulai licence lies 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 from which to accumulate metals.

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 gold, copper, uranium, silver, lead, zinc, tin, tungsten, molybdenum and tantalum.

### ***Previous Activities***

Burey commenced the proposed systematic first-pass field programme, mapping geology ground radiometric data and collecting coincident soil samples in the first quarter of 2010. A total of 700 line-kilometre of traverse (>7,000 sample locations were visited) was covered by the end 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 recorded during the work program.

### ***Activities in the September Quarter, 2010***

Work carried out in the September Quarter was limited to the interpretation of the first-pass field programme results.

No area of strongly anomalous gold-in-soil was indicated by the soil sample assay results. Weak soil sampling anomalism, an inferred consequence of leakage at structure intersections, confirms the inferred intersecting fabric of fault structures on the Dion-Koulai property.

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 four times to greater than eight times background;
- A zone some 2km in strike of over a 300m in width at four to six times background;
- A zone of some 2km in strike over a 500+m in width (dual peaks) at four+ 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.

With significant results returned by Burey's first pass radiometric/field mapping programme and with an appreciation of the point that this area has never been subject to drilling, Dion -Koulai presents an opportunity for a significant green-fields discovery. Consequently, at the end of the Quarter, Burey exercised its option to acquire an 80% interest in the Dion-Koulai licence (prior to adjusting for the Government's 15% interest).

### ***Planned Work Programmes***

In the December Quarter, Burey plans to establish the first vehicle access track into project area. Topography and drainage are favourably disposed to provide direct access from the SE passing via Beyla and negates the need for any major drainage crossings. In-fill radiometrics are also planned for the December Quarter, with drilling (RC and diamond core) anticipated for early Quarter 1 2011 with drilling contractor, Amco Drilling tentatively scheduled to carry out this work.

### **KOSSANKE LICENCE (Burey earning 68%; Government 15%; Vendor 17%)**

During the quarter Burey Gold executed an agreement with Guinean company, Nonsimba Gold Fields sarl, to enable Burey to secure up to an 80% of the non-government interest in the Kossanke Licence ("KL") which is located in the Prefecture of Mandiana, Haute Guinee, near to the Mali border. The KL covers an area of some 354km<sup>2</sup> along and immediately west of the Fie River which is a minor tributary of the NE flowing Niger River and, in part, extends to the Mali-Guinea frontier.

The KL contains

- Numerous extensive primary, laterite and alluvial gold workings;
- A line of gold prospects along some 8km of a NNE trending strike; and
- A wealth of significant gold in soil anomalies each of which generally covers some kilometres in strike.
- Additional equally prospective ground, previously not availed for modern testing, is now included within the licence and has yet to be inspected for additional indications of gold mineralisation.

Burey believes the Kossanke Licence ground to be highly prospective for gold mineralisation because of:

- Its very favourable geological setting;
- Its long history of artisanal gold mining activity;
- The encouraging indications from modern era exploration which were returned during a period of depressed commodity prices ; and
- The inclusion of additional favourably located ground which remains untested in the modern era.

Modern exploration carried out along part of the above mentioned 8km of NNE trending workings returned some significant gold intercepts from trenching and reverse circulation drilling along a 2km segment which include:

8 metres @ 2.64g/t gold [21.1gm.m]; 6 metres @ 3.5g/t gold [21.0gm.m]; 3 metres @ 92g/t gold [276gm.m ]; 24 metres @ 1.73g/t gold [41.5gm.m]; 30 metres @ 1.73g/t gold [51.9gm.m] and 4 metres @ 5.45g/t gold [21.8gm.m].

### ***Geology and Exploration History***

The KL is located within the highly prospective Paleao-Proterozoic Siguri Basin which hosts numerous ancient artisanal gold districts and has in recent years become the favoured setting within which to secure tenure and explore for gold in Guinea. Current explorers of the basin include Newmont, Cassidy Gold, Crew Gold, AngloGold Ashanti, SEMAFO, Wega Mining, Burey, Gold Fields (previously in Guinea and now exploring the very promising Komana property along the border in Mali 30km directly east of the KL).

There are several significant gold mining operations within the Siguri Basin - including the world class 25Moz Siguri Gold Mine (65km to the ENE of the KL) operated by AngloGold Ashanti, the Lero mine of Crew Gold in the west of the basin and the smaller +1Moz Kiniero operation managed by SEMAFO on the Siguri Basin's southern margin.

Within the KL, the regional geological trend has been interpreted by Burey staff using regional magnetics and limited mapping to have a generally N-S formational strike- developed in broad basin domains of fine grained (distal facies) sediment and tuff separated by long narrow steep sided belts of andesitic to basaltic

lavas and volcano-clastics. Regional compression appears to be E-W and the metamorphic grade inferred to be that of lower greenschist facies.

Burey's technical team is encouraged by the favourable structural setting of the KL and rate its prospectivity highly. This rating is afforded by the recognition of the strong formational contrasts (competence) evident in the aeromagnetic data and the offsets (sinistral), to the NE trending line of mineralisation caused during relaxation on the regionally significant transfer fault array which traverses the KL. Such major transfer fault systems are considered by Burey to be essential in the development of the world class gold deposits in West Africa.

### ***Initial Work Programme***

Burey plans to commence a programme of check (validation of old data), extensional and in-fill soil sampling and geological mapping late in the December Quarter once access is re-established (post wet season) into the district. RC drilling will then follow to validate past drilling results and to test new areas once the soil sample results are available.



Ron Gajewski  
Chairman

29 October 2010

*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.*