

# **Burey Gold Limited**

**and its controlled entities**

(ABN 14 113 517 203)

**Half Year Report**  
**31 December 2011**

<b>Contents</b>	<b>Page</b>
Directors' Report	<b>1</b>
Auditor's Independence Declaration	<b>6</b>
Consolidated Statement of Comprehensive Income	<b>7</b>
Consolidated Statement of Financial Position	<b>8</b>
Consolidated Statement of Changes in Equity	<b>9</b>
Consolidated Statement of Cash Flows	<b>10</b>
Notes to the Financial Statements	<b>11</b>
Directors' Declaration	<b>16</b>
Independent Auditor's Review Report	<b>17</b>

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity, comprising Burey Gold Limited (the "Company") and its controlled entities (collectively "Burey" or the "Burey Group") for the half year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Ron Norbert Gajewski	Non-executive Chairman
Klaus Peter Eckhof	Managing Director (appointed 6 February 2012)
Bruce Stainforth	Executive Director
Nigel Munro Ferguson	Part-time Executive director
Susmit Mohanlal Shah	Non-executive director
Kevin Peter Thomson	Non-executive director

### Results

The consolidated loss for the half year after tax was \$241,493 (2010: \$493,186).

### Review of Operations

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

Significant drill programs were concluded by the end of the previous financial year (June 2011) at Balatindi and Mansounia properties. The half year to 31 December 2011 has involved the Company receiving, analysing and interpreting those drill results, completing soil sampling at Kossanke and Celein, completing infill gamma-radiation gridding and continuing site access investigations at Dion Koulai for a drill program.

### **Balatindi Licence (Earning 75%; Government 15% + Vendor 10%)**

A significant diamond drilling program was conducted by Burey on the Balatindi licence in the financial year ended 30 June 2011. No new work was carried out at the property during the six month period ended 31 December 2011, however the Company continued to receive assay results during this period as a result of continuing delays at the assay laboratory. Gold assay results from the final four holes of its 10-hole, 3,470m diamond drilling program at Balatindi and multi-element analyses from a further five of the holes were announced on 6 October 2011.

Gold assay results included:

- 24m at 0.64g/t Au from surface; 23.6m at 0.72g/t Au from 30m; 32m at 0.82g/t Au from 79m; 33m at 0.61g/t Au from 159m and 48.8m at 0.68g/t Au from 266.2m from BLDD007
- 9m @ 0.73g/t Au from surface, 38.3m at 0.61g/t Au from 16m, 27.3m at 0.71g/t Au from 56.7m and 22m @ 0.51g/t from 148m from BLDD008
- 26.9m at 0.60g/t Au from BLDD009
- 73.5m at 0.75g/t Au from 28m; 49m at 0.6g/t Au from 195m and 50.0m at 0.64g/t Au from 409m from BLDD010.

The latest multi-element results included:

- 47.2m @ 1.78g/t Ag from 3.8m and 59.8m @ 1.42g/t Ag from 58m from BLDD004
- 59.2m @ 0.19% Cu from 3.8m and 19.5m @ 0.14% Cu from 65m from BLDD004
- 73.9m @ 2.99g/t Ag from surface and 26.75m @ 1.54g/t Ag from 76.9m from BLDD005
- 73.9m @ 0.2% Cu from surface from BLDD005
- 12m @ 2g/t Ag from surface and 49m @ 0.8g/t Ag from 204m from BLDD006

## Review of Operations (continued)

Mineralisation at Balatindi has not been closed off at depth or in any direction. Burey believes considerable detailed study remains to be undertaken before the full potential of Balatindi's polymetallic mineralisation can be properly understood. Balatindi has demonstrated a generally low but persistent gold tenor. At this stage the shape and the axis of mineralisation has not been determined, but detailed assessment of drill log data may provide a better understanding.

Balatindi also carries that potential credit of additional metals variously anomalous in silver, barium, bismuth, copper, molybdenum and antimony, and to a lesser extent thorium, uranium, tungsten and rare earth elements.

In addition, Burey has located five primary uranium and associated rare earth element prospects elsewhere on the Balatindi licence that the Company has followed up with regional RC drilling.

The five U, REE Prospect areas (**URPs**) were located by Burey whilst undertaking detailed in-fill (follow-up) of Burey's previous ground radiometric survey of the Balatindi Licence. The contoured surface expression of these URPs reflects a dominant underlying structural control, perhaps developed through leakage off a major reverse fault splay.

Each URP area has been tested using a shallow profile of inclined (at 50° off vertical) overlapping, ~100m long first pass RC drill holes (22 RC holes, 1,848 metres drilled), spectrometer readings of drill chips from which were used to focus the placement of follow-up similarly inclined HQ DD holes (seven HQ DD holes, 746 metres).

Gold assays were undertaken for all drill samples as a matter of course, with all being uniformly very low thus far (as expected), the real interest being the suite of ICP/MS determinations to provide assessment and indications of the primary uranium and REE potential of the property.

On 28 October 2011, Burey announced the results reveal thick zones of uranium mineralisation, which adds to the potential of the Balatindi IOCGU system. The mineralogical signature from BLRC001 (to BLRC 008) is interpreted to have affinity with the main Balatindi Central Polymetallic Prospect IOCGU Prospect some +600 metres away.

All of this lends support to the conjecture that Prospect Area E may be sourced from leakage off or from the Central Polymetallic Prospect and as such enhances the potential for success on undertaking further exploration here. Prospect E is interpreted to be structurally controlled, sited on a dilational splay (conduit for fluid leakage), off a regional transfer fault, the transit of which it shares with the Central Polymetallic Prospect which shows geochemical affinities to Boddington and/or an IOCGU system.

Work program for the near term includes:

- metallurgical test-work to establish the deportment of the anomalous metal (U and Cu) associations.
- a follow-up pattern of parallel 50m spaced drill fences at Prospect E to establish the genesis of mineralisation trends and to indicate their dimensions.
- a airborne VTEM survey over the drill site area, as the drill results have reflected the efficacy of VTEM system in relation to such mineralisation.

## **Dion-Koulai (Burey 68%; Government 15%; Vendor 17%)**

Burey is exploring the Dion-Koulai Licence (DK) for primary uranium and associated rare earth elements.

The DK is located immediately east of the Dion River across which there is currently no access for either heavy earthmoving, or drilling equipment. Foot paths and 4x4 vehicle tracks enter the DK from the east.

Burey's detailed first pass ground scintillometer survey (2010) and selected coincident gold-in-soil sampling programme of the DK located an extensive mineralised domain (30km x 8km) of structurally controlled radiometric anomalism. This was inferred to be sourced from diffusion of a primary emplacement feature represented as a reverse fault, with leakage into and along parasitic and still younger NE-SW aligned, transfer faults.

## Review of Operations (continued)

Within the extensively mineralised domain, a more persistent strong radiometric anomaly of four to six times background, has been identified and is expressed along a topographic ridge. It is inferred to be an "early" east dipping silica flooded, arcuate segment of a reverse fault. Spectrometer readings suggest surface anomalism is uranium sourced. The setting could have been conducive for the associated emplacement of REE which will necessarily be tested by low level multi-element ICP-MS analysis of drill samples. Gold in soil is lacking.

Burey is currently working to upgrade identified access from the west of the Dion River where topography and drainage are favourably disposed to the east of the town of Lenko. Installation of a pontoon ferry crossing is likely to be the most effective option for the transport of earthmoving machinery, a drill rig and support equipment.

Work is ongoing and currently focused on assessing the most suitable crossing location, obtaining permissions and costing access refurbishment of long abandoned tracks in the Lenko district. The purchase, transport and refurbishment of a number of old pontoon ferries is currently being reviewed and a G12 grader has been sourced for road work. A dozer is required to prepare the crossing of major drainage channels, access tracks and drill pads for the drill rig and its support trucks.

Burey's field staff has also been engaged in infill gamma-radiation gridding during the second quarter. This is being carried out on a 25m spacing along 100m spaced lines and thereafter, in areas of high response, brought down further to a detailed 25m x 25m infill grid.

Accordingly, this gridding has been focused along a 6km length of siliceous, topographically elevated, 1000m or so wide terrain, interpreted to be the surface expression of a shallow east dipping NNE-SSW striking sheeted thrust fault system.

The anomaly expressed for a large part, a gamma response of greater than five times background with a peak of greater than nine times background in a domain that is radiometrically enhanced with a background of 85cps (counts per second).

The domain is broken roughly into seven blocks by a late, brittle, NW-SE oriented and roughly parallel fault array having an average block width of between 450m and 800m and showing across each is some 300m to 700m of sinistral displacement.

A first pass array of some four fences of RC drill holes for approximately 4000 metres of drilling across the ground survey gamma peaks are planned (subject to availability of a suitable drill rig), with the radiometric peak returned from each of the RC drill fences to be tested by a follow-up HQ diamond drill hole. A heliborne VTEM survey is also planned for the drill site area.

## **Mansounia Project (Burey earning 70%; Guinea Government 15%; Vendors 15%)**

At Mansounia, an infill and extension RC program of 60 holes for 5,884 metres in the financial year 2010/2011 has variously tested the extensions of and infill along 10 (100m to 400m spaced) drill sections to the south of the previously defined Mansounia Gold Deposit (MGD). A further 14 RC holes for 1,446m and two HQ DD holes for 325m were drilled to explore the area of "The Magnificent" gold prospect.

As with Balatindi, the backlog of work at the assay laboratory meant that the results from this last drill program were not received until the second quarter during this half year period.

All RC samples have been analysed for gold (BLEG analysis) and results have been received. The half core samples from the two diamond core holes are with the laboratory, with the BLEG and ICP/MS results from these presently outstanding.

### Results:

- MRC 283 returned from surface 30m @ 0.68g/t Au;
- MRC 286 returned from 37m down hole, 17m @ 0.94g/t Au;
- MRC 287 returned from 33m down hole, 13m @ 1.82g/t Au;
- MRC 288 returned from 85m down hole, 6m @ 2.32g/t Au;
- MRC 289 returned from 47m down hole, 14m @ 0.86g/t Au;
- MRC 293 returned from 71m down hole, 13m @ 3.40g/t Au;

### **Review of Operations (continued)**

- MRC 298 returned from 79m down hole, 20m @ 0.95g/t Au;
- MRC 299 returned from 32m down hole, 18m @ 3.00g/t Au;
- MRC 310 returned from 6m down hole, 13m @ 0.78g/t Au;
- MRC 314 returned from 67m down hole, 9m @ 1.91g/t Au;
- MRC 315 returned from 84m down hole, 2m @ 7.38g/t Au;
- MRC 340 returned from 5m down hole, 2m @ 9.11g/t Au and from 76m down hole, 7m @ 1.71g/t Au.

After Burey's initial exploration success at Mansounia between 2006 and 2008, independent resource modelling, metallurgy test-work and a scoping study was undertaken in 2008 and 2009 to address project development options. At that time drilling had not closed off the Mansounia Gold Deposit (MGD) mineralisation.

The preliminary scoping study results at that time indicated that there may be potential for the viable development of the MGD should a low cost treatment process be available or an increase in gold price (then around US\$940 per ounce).

The favourable mining (set in gentle terrain, shallow) with minimal strip ratio, soft natured, saprock hosted, broad, tapered and continuous body exposed by mining to depth with minimal internal waste and very favourable metallurgical characteristics of the MGD, were only loosely cost factored at that time. The drill results and the current gold prices point to the need for a closer study of the development options at Mansounia.

The results from the recent RC infill drilling are encouraging and consistent with past drilling, adding to the potential for the MGD resource to grow further and lending support for committing to an updated development study for the MGD. A resource upgrade study is underway now, to be followed up by an updated analysis of development options.

### **Kossanke Licence (Burey earning 68%; Government 15%; Vendor 17%)**

The first-pass cycle of a soil sampling program was completed at Kossanke in July, 2011. Samples were collected at 50m intervals (composited at 100m) on E-W oriented 1.0km spaced grid lines. Some 3,475 composited samples, including approximately 181 duplicates, have been generated for BLEG assay.

With indicated infill sections completed, the results of this soil program will be manually contoured to generate a bedrock gold fabric map which combined with detailed aeromagnetic data will be used to generate first pass RC drill targets. Historic RC drill hole results (Wells Gold, 1995) will be used as a calibration template.

The first drill program will validate the Wells Gold results before moving to test new soil sampling defined targets.

During the half year Burey's field crews have subsequently followed up the SEMS systematic first pass soil sampling programme and sampled a significant portion of the harder laterite surface within the Kossanke soil grid to provide full cover on the Kossanke first pass grid generating an additional 425 samples consisting of 301 composite and 124 single point samples from 50m spaced stations.

### **Celein Licence (Burey earning 68%; Government 15%; Vendor 17%)**


A project of similar favourably endowed attributes to those of Kossanke, the 230km<sup>2</sup> Celein Project lies immediately to the east of Avocet's Tri-K block and will be worked initially in conjunction with Kossanke, sharing logistics, support infrastructure and work scheduling.

The first-pass cycle of a soil sampling program was completed at Celein in August, 2011. Samples were collected at 50m intervals (composited at 100m) on E-W oriented 1.0km spaced grid lines. Some 1,100 composited samples, including approximately 53 duplicates, have been generated for BLEG assay.

**Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires the auditor, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001, and on behalf of the Board by:



Ron Gajewski  
Chairman  
Dated: 13th March 2012

The information in this report that relates to exploration results 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 mineralisation, 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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13 March 2012

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

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF BUREY GOLD LIMITED**

As lead auditor for the review of Burey Gold Limited for the half-year ended 31 December 2011, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'C Burton', is written over a light blue horizontal line.

**Chris Burton**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Notes	Consolidated	
		31 December 2011 \$	31 December 2010 \$
Revenue from continuing operations		249,388	67,255
Consultants and corporate costs		(190,555)	(202,355)
Salaries, wages and employment expenses		(85,900)	(40,900)
Depreciation expense		(650)	(2,601)
Exploration expenses written off		(7,672)	-
Occupancy expenses		(18,913)	(31,952)
Travel expenses		(11,906)	(16,979)
Share based payments expense	2	(190,146)	(122,018)
Other expenses	2	14,861	(143,636)
<b>Loss before related income tax expense</b>		<b>(241,493)</b>	<b>(493,186)</b>
Income tax (expense) / benefit		-	-
<b>Loss for the half year</b>		<b>(241,493)</b>	<b>(493,186)</b>
Other comprehensive income / (loss)			
Exchange differences on translation of foreign operations		341,121	(859,351)
<b>Total comprehensive income / (loss) for the half year attributable to members of Burey Gold Limited</b>		<b>99,628</b>	<b>(1,352,537)</b>
<b>Earnings per share</b>			
Basic loss per share (cents per share)		<b>(0.07)</b>	<b>(0.25)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011**

		Consolidated	
	Notes	31 December 2011 \$	30 June 2011 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		8,534,392	9,146,424
Trade and other receivables	4	278,657	1,062,986
<b>Total Current Assets</b>		<u>8,813,049</u>	<u>10,209,410</u>
<b>Non-Current Assets</b>			
Other		10,000	10,000
Property, plant and equipment		66,898	79,370
Deferred exploration and evaluation expenditure	3	8,971,483	7,393,114
<b>Total Non-Current Assets</b>		<u>9,048,381</u>	<u>7,482,484</u>
<b>Total Assets</b>		<u>17,861,430</u>	<u>17,691,894</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		414,396	527,252
<b>Total Current Liabilities</b>		<u>414,396</u>	<u>527,252</u>
<b>Total Liabilities</b>		<u>414,396</u>	<u>527,252</u>
<b>Net Assets</b>		<u>17,447,034</u>	<u>17,164,642</u>
<b>Equity</b>			
Contributed equity	4	23,142,488	23,149,870
Reserves		805,401	274,134
Accumulated losses		(6,500,855)	(6,259,362)
<b>Total Equity</b>		<u>17,447,034</u>	<u>17,164,642</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Contributed Equity	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	<b>11,502,520</b>	<b>(5,264,712)</b>	<b>1,174,532</b>	<b>(207,432)</b>	<b>7,204,908</b>
<b>Total comprehensive income for the half year</b>					
Loss for the half-year	-	(493,186)	-	-	(493,186)
<i>Other comprehensive income</i>					
Exchange differences on translation of foreign operations	-	-	-	(859,351)	(859,351)
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>(493,186)</b>	<b>-</b>	<b>(859,351)</b>	<b>(1,352,537)</b>
<b>Transactions with equity holders in their capacity as equity holders</b>					
Shares issued during the half year	6,532,639	-	-	-	6,532,639
Unallocated share capital (see Note 4)	6,176	-	-	-	6,176
Share issue costs	(246,513)	-	-	-	(246,513)
Share based payments expense	-	-	122,018	-	122,018
	6,292,302	-	122,018	-	6,414,320
<b>Balance at 31 December 2010</b>	<b>17,794,822</b>	<b>(5,757,898)</b>	<b>1,296,550</b>	<b>(1,066,783)</b>	<b>12,266,691</b>
<b>Balance at 1 July 2011</b>	<b>23,149,870</b>	<b>(6,259,362)</b>	<b>1,617,682</b>	<b>(1,343,548)</b>	<b>17,164,642</b>
<b>Total comprehensive income for the half year</b>					
Loss for the half-year	-	(241,493)	-	-	(241,493)
<i>Other comprehensive income</i>					
Exchange differences on translation of foreign operations	-	-	-	341,121	341,121
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>(241,493)</b>	<b>-</b>	<b>341,121</b>	<b>99,628</b>
<b>Transactions with equity holders in their capacity as equity holders</b>					
Share issue costs	(7,382)	-	-	-	(7,382)
Share based payments expense	-	-	190,146	-	190,146
	(7,382)	-	190,146	-	182,764
<b>Balance at 31 December 2011</b>	<b>23,142,488</b>	<b>(6,500,855)</b>	<b>1,807,828</b>	<b>(1,002,427)</b>	<b>17,447,034</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

	Consolidated	
	31 December 2011 \$	31 December 2010 \$
	Inflows/(Outflows)	
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(389,438)	(328,066)
Interest received	107,985	43,162
(Increase) / decrease to security deposit	-	1,236
Net cash used in operating activities	<u>(281,453)</u>	<u>(283,668)</u>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(13,916)
Payments for exploration expenditure	(1,284,397)	(956,644)
Payments for acquisitions	(5,000)	(94,253)
Net cash used in investing activities	<u>(1,289,397)</u>	<u>(1,064,813)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	1,001,341	6,538,815
Payment for share issue costs	(57,382)	(264,550)
Net cash provided by financing activities	<u>943,959</u>	<u>6,274,265</u>
Net (decrease) / increase in cash held	(626,891)	4,925,784
Cash and cash equivalents at 1 July	9,146,424	2,372,547
Effect of exchange rate changes	14,859	(143,574)
<b>Cash and cash equivalents at 31 December</b>	<u>8,534,392</u>	<u>7,154,757</u>

The accompanying notes form part of these financial statements.

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

The interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

These half-year financial statements do not include full disclosures of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial statements.

It is recommended that these half-year financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by Burey Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### **Basis of preparation**

These half-year financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

#### **Significant accounting judgments and key estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half year financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement for the year ended 30 June 2011.

The exploration licences that comprise the Balatindi and Mansounia Project areas are in the process of being renewed by the Guinea Ministry of Mines and Geology. Conditions for licence renewal as set out in the Guinea Mining Code have been satisfied and the renewal applications were submitted in accordance with regulatory requirements. In the Directors' judgement, the licences will be renewed thus confirming the rights to tenure.

#### **Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2011, 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 2011. As a result of this review the Directors have determined that there is no change necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**NOTE 2: EXPENSES**

	Consolidated	
	31 December 2011	31 December 2010
	\$	\$

Loss includes the following specific expenses:

Exchange rate variation on foreign cash on hand	(14,861)	143,574
Share based payment expense	190,146	122,018

During the half-year to 31 December 2011, the consolidated entity has recognised an expense of \$190,146 (2010: \$122,018) in relation to the calculated fair value of options over ordinary shares in the Company granted and vesting in the period.

**NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	31 December 2011	30 June 2011
	\$	\$

Costs carried forward in respect of areas of interest:

**Exploration and evaluation phase – at cost**

Balance at 1 July	7,393,114	4,816,122
Acquisition costs	-	181,928
Expenditure incurred	1,260,009	3,583,435
Exploration expenditure written off	(7,672)	(17,663)
Foreign currency translation differences	326,032	(1,170,708)
Total exploration and evaluation expenditure	<u>8,971,483</u>	<u>7,393,114</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

The consolidated 30 June 2011 balances are for the year ended 30 June 2011.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

### NOTE 4: CONTRIBUTED EQUITY

	31 December 2011 \$	30 June 2011 \$
<i>(a) Ordinary shares</i>		
Issued and fully paid		
354,219,003 (30 June 2011: 318,354,948)	23,142,488	22,198,529
Other contributed equity (see Note (ii))	-	951,341
	<u>23,142,488</u>	<u>23,149,870</u>
	\$	\$
<i>Movements in ordinary shares on issue</i>		
Balance at 1 July	23,149,870	11,502,520
Placement of 60,000,000 shares at 10 cents Oct/Nov 2010	-	6,000,000
Exercise of 50,000 employee options at 5 cents each	-	2,500
Conversion of 48,535,945 BYRO options at 5 cents each	-	2,426,798
Conversion of 34,800,000 unlisted options at 5 cents each	-	1,740,000
Option conversion monies received [unallotted at 30 June 2011 – see Note 4(a)(i)]	-	791,861
Share issue expenses	(7,382)	(265,150)
Balance at 31 December / 30 June	<u>23,142,488</u>	<u>22,198,529</u>
<b><i>Movements subsequent to year end:</i></b>		
Conversion of 11,659,187 BYRO options at 5 cents each	-	582,959
Allotment of 8,367,640 shares under an underwriting agreement (see Note (ii))	-	418,382
Share issue expenses	-	(50,000)
	<u>-</u>	<u>951,341</u>
Closing balance as at the date of this financial report	<u>23,142,488</u>	<u>23,149,870</u>

Note (i). \$791,861 was received immediately prior to 30 June 2011 for the conversion of 15,837,228 BYRO options into shares. These shares were allotted on 6 July 2011.

Note (ii). The Company had entered into an underwriting agreement in relation to listed options expiring on 30 June 2011 (“BYRO”), pursuant to which the Underwriter would place shares of an equal number as the listed options (exercisable at 5 cents each) which were not exercised prior to expiry. On that basis, the Company adjusted Contributed Equity to reflect (i) the number of shares issued against option conversion notices received on 30 June 2011 but where monies were banked subsequently; and (ii) shares issued pursuant to the underwriting agreement. Option conversion monies of \$1,001,341 (recorded as a receivable at 30 June 2011) were received in early July 2011.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

**NOTE 4: CONTRIBUTED EQUITY (continued)**

*(b) Share Options*

Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Exercise Price	Opening Balance 1 July 2011 <i>Number</i>	Options Issued 2011 <i>Number</i>	Options Exercised/ Cancelled/ Expired 2011 <i>Number</i>	Closing Balance 31 December 2011 <i>Number</i>
On or before 31 December 2012	\$0.05	6,500,000	-	-	6,500,000
On or before 31 December 2012	\$0.05	710,000	-	-	710,000
On or before 31 March 2013	\$0.15	2,500,000	-	-	2,500,000
1 January 2012 - 31 March 2014	\$0.20	2,500,000	-	-	2,500,000
17 November 2011 - 16 October 2013	\$0.35	470,000	-	-	470,000
29 November 2011 - 31 March 2013	\$0.20	750,000	-	-	750,000
On or before 31 December 2012	\$0.08	34,800,000	-	-	34,800,000
		48,230,000	-	-	48,230,000

Exercise Period	Exercise Price	Opening Balance 1 July 2010 <i>Number</i>	Options Issued 2010 <i>Number</i>	Options Exercised/ Cancelled/ Expired 2010 <i>Number</i>	Closing Balance 31 December 2010 <i>Number</i>
On or before 30 June 2011	\$0.05	84,400,000	-	(10,602,788)	73,797,212
On or before 30 June 2011	\$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	-	(50,000)	710,000
On or before 31 March 2013	\$0.15	-	2,500,000	-	2,500,000
On or before 31 March 2014	\$0.20	-	2,500,000	-	2,500,000
On or before 16 October 2013	\$0.35	-	470,000	-	470,000
On or before 31 March 2013	\$0.20	-	750,000	-	750,000
		126,460,000	6,220,000	(10,652,788)	122,027,212



## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

### NOTE 5: SEGMENT INFORMATION

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

	31 December 2011 \$	31 December 2010 \$
Revenue from external sources	-	-
Reportable segment loss	(12,831)	(18,271)
<b>Reconciliation of reportable segment profit or loss</b>		
Reportable segment loss	(12,831)	(18,271)
Other revenue / income	249,388	67,255
Unallocated:		
Corporate expenses	(478,050)	(542,170)
Loss before tax	<u>(241,493)</u>	<u>(493,186)</u>
	31 December 2011 \$	30 June 2011 \$
Reportable segment assets	9,177,376	7,863,915

### NOTE 6: NON-CASH FINANCING AND INVESTING ACTIVITIES

There have been no non-cash financing and investing activities during the half year ended 31 December 2011.

### NOTE 7: CONTINGENT ASSETS AND LIABILITIES

There has been no material change in any contingent assets or contingent liabilities since the last annual reporting date.

### NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since 31 December 2011 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

### NOTE 9: DIVIDENDS

No dividends have been declared during the period.

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Burey Gold Limited we state that:

In the opinion of the directors:

- (a) the financial statements and notes 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 31 December 2011 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  
- (b) there are reasonable grounds to believe that Burey Gold Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001, and on behalf of the Board by:



Ron Gajewski  
Chairman

13th March 2012



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

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Burey Gold Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Burey Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Burey Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Burey Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### BDO Audit (WA) Pty Limited

BDO  


**Chris Burton**  
Director

Perth, Western Australia  
Dated this 13th day of March 2012