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30 April 2012

ACTIVITY REPORT, MARCH QUARTER, 2012

Burey Gold Limited (ASX: BYR, “**Burey**”) is pleased to report activities undertaken on its Guinea (West Africa) properties during the March Quarter of 2012.

Highlights

- Mansounia - **① Resource upgrade;**
 - ② Metallurgical tests;**
 - ③ Development scoping.**

- Drill sections were prepared using drill logs and assay results from the 2011 programme of infill and extension drilling – enabling Runge to **upgrade the Mansounia resource** wire-frame model and prepare an update of the (maiden) Mansounia Gold Deposit (MGD) resource. Results expected early May.

- **Metallurgical studies** of Mansounia core were resumed in Perth by Independent Metallurgical Operations Pty Ltd (IMO) - to measure its amenability to heap leach/agglomeration processing methods.

- SEMS Consulting of Accra, Ghana engaged to undertake a review of IMO’s 2009 **Development Scoping Study** prepared for the MGD, using updated costs, gold price and incorporating the latest resource estimate. SEMS will also provide an estimate of the cost to prepare a bankable feasibility study (BFS).

- Balatindi - **① More ICP Assays.**
 - The long awaited multi-element determinations for holes BLDD009 and BLDD010 were returned from the laboratory late in the Quarter, with intersections showing similar grades to other holes previously announced.

- Dion Koulai - ① **Regional access and drill pads prepared;**
② **Completion of a detailed radiometric infill grid.**
- Kossanke - ① **Soil sample gold assay results returned and interpretations underway.**
- Celein - ① **Soil sample gold assay results returned and interpretations underway.**

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

In the context of the regional structural setting of the Balatindi mineralisation and on the basis of the multi-element ICP assay returns from drill programs carried out to date, the Balatindi mineralisation is suggestive of a strong IOCGU paragenetic affinity and carries a chemical signature which in part bears some similarity to that of Boddington, Western Australia.

Anomaly E (drill holes: BLRC – 001 to 008 and BLDD – 14, 15 and 16 with multi-element analysis of the latter still to be completed by the laboratory) assay returns suggest Anomaly E may be a more distal/peripheral portion of the Balatindi Central Polymetallic Prospect (CPP), with elevated Cu, U and Ag, whereas the central zone (holes BLDD 001 – 010) is considered to be the outcrop of a deeper, closer to source, less oxidised portion of the same mineralised system (relatively uranium depleted, with weak Cu, Au and Ag waning).

Work carried out and reported previously by Burey supports the conjecture that Anomaly E may be sourced from leakage off or from the CPP, and as such enhances the potential for further exploration success.

The dimensions and tenor expressed by Anomaly E at depth and the physical relationship of these two mineralised centres (E and CPP) will determine the economic potential of the Balatindi polymetallic setting. It is planned to drill an array of sub-vertical holes in the current quarter (subject to rig availability) to test the geometry and tenor of Anomaly E to depth.

Planned work program

A follow-up pattern of parallel 50m spaced drill fences is planned for Anomaly E to establish the genesis of mineralisation trends and to indicate their dimensions.

A heliborne VTEM survey is also planned for the drill site area. The drill results will reflect the efficacy of VTEM system in relation to such mineralisation.

Additionally, Burey's next programme of work will include twin drilling two of the *Mining Italiana* 2003 phase II holes (**03/14 and 03/17**) to provide samples, comprehensively prepared from sawn-half core, for gold assay using the bulk leach extractable gold (BLEG) analysis and fire assay methods from the same sample intervals over the entire hole length – thereby enabling (i) a direct comparison of assay methods; and (ii) to assess integrity of the *Mining Italiana* sampling/analytical regime.

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

March Quarter Activities

During the Quarter, work continued to establish access into the Dion-Koulai licence area (via Beyla, Senko and Worro) suitable for heavy equipment (drilling support vehicles and fuel shipments), and the preparation of drill pads.

Additionally, Burey's field staff completed the infill gamma-radiation gridding programme - 25m spacing along 100m spaced lines and thereafter, in areas of high response, brought down further to a detailed 25m x 25m infill grid.

Surficial follow-up measurements, using an RS230 BGO spectrometer have suggested a range of Th:U ratios of the order of 15-30: 1 at surface, suggesting the possibility of it being sourced in river lag. However, within shallow (1-2m) dozer cuts the Th:U ratio can be seen to decrease to <5:1 for part whilst retaining the general total count response.

Burey's detailed infill gridding was focused along a 6km length of variously siliceous, topographically elevated, ~1,000m wide tract of ground - conjectured to potentially be the surface expression of a mineralised shallow east-dipping NNE-SSW striking thrust system.

This anomalism is, for a large part, expressed as a gamma response of greater than five times background, peaking at greater than nine times background, within a domain that has a background of 85 counts per second.

The gridded area is broken (topographically incised) roughly into six or seven blocks by a late, brittle, NW-SE oriented fault array having an average block width of between 450m and 800m and showing, across each fault, some 300m to 700m of sinistral off-set.

Planned work program

Burey is keen to commence drilling in this area as access to it is essentially restricted to the dry season, being cut-off by swollen drainage (effectively June to November) throughout the wet.

A first-pass array of RC drill holes placed to traverse the four best expressed radiometric peaks is planned (as many as 35 collars prepared) for the current quarter (subject to rig availability) and should an elevated radiometric response be demonstrated to extend to depth, it is intended to follow-up on each section with a selectively sited HQ core drill hole (initially as many as six collars).

Subject to drill results, a heliborne VTEM survey of the drill site area may be carried out subsequently.

MANSOUNIA PROJECT (Burey 70%, Government 15%, Vendor 15%)

Encouraging results from the Mansounia drilling have provided support for committing to a study of development options.

March Quarter Activities

Assay results returned by RC drilling (60 holes for 5,884 metres completed in July 2011) placed variously to test the extension and infill along 10 (100m to 400m spaced) drill sections, south of the previously defined Mansounia Gold Deposit (MGD) were used to prepare drill sections. Independent consultant **Runge** has

subsequently used these to extend the wire-frame model of the MGD and generate the first upgrade of the maiden MGD resource. This upgraded resource estimate should be ready for release in May 2012.

Contractors IMO (Perth) were engaged to extend their previous metallurgical studies of the Mansounia gold mineralisation to quantify the amenability of the MGD to heap leach/agglomeration methods.

SEMS, in Accra, Ghana, has been engaged to review the Development Scoping Study prepared previously by IMO (2009), incorporating i) local costs; ii) updated material, labour and logistical costs and schedules; iii) the current gold price **with the latest resource estimate**.

SEMS will also provide a cost estimate and a checklist of further work required for the preparation and completion of a bankable feasibility study (BFS).

Burey awaits results from the ICP/MS analyses of half-core samples of the two diamond core holes drilled at the Magnificent Prospect.

Results

The recently prepared drill-sections suggest a significant weakening in the development of diffuse flat saprock bearing MGD (elluvial) style mineralisation to the south of Intermediate Creek, which has been interpreted to follow the trace of a reverse fault. That the elluvial mineralisation is better expressed and more diffused north of Intermediate Creek suggests the ground water flux historically percolating that area was relatively constrained (or dammed by a local reverse fault). This is compared with that seen south of Intermediate Creek, where saprock is generally interpreted to be shallower, with elluvial mineralisation forming a thinner wedge and the vestiges of primary mineralisation, more distinct in their upright form, better preserved atop and along their saprolised projections – the remnants of the primary zones of gold mineralisation.

Magnificent Prospect

Although only weak mineralisation was intersected by drilling carried out to date at the Magnificent Prospect, the extensive carbonate and silica alteration observed is encouraging and a selective programme of follow-up drill testing is warranted.

Planned work program

Burey remains committed to the prompt preparation of a development proposal for the Mansounia Gold Deposit.

KOSSANKE LICENCE AND CELEIN LICENCE (Burey earning 68%, Government 15%, Vendor 17%)

March Quarter Activities

Burey's contractors, SEMS had previously completed a systematic first-pass soil sampling programme over both the Kossanke and Celein licence areas, with samples collected at 50m centres composited at 100m intervals.

Burey's field crews subsequently followed up (in the December 2011 Quarter) and Lag sampled a significant portion of the harder laterite surface within the Kossanke soil grid to provide full cover on the Kossanke first pass grid. This generated an additional 425 samples consisting of 301 composite and 124 single point samples from 50m spaced stations.

The first-pass BLEG assays for the Kossanke/Celein soil samples, which the laboratory (Intertek) commenced to report in Q4, 2011, were eventually completed in January, and enabled the preparation of a structure based interpretive plan of gold endowment for each licence. Assay results from Kossanke Lag samples are still awaited.

Anomalous soil gold is mapped by assuming the rheology differential at formational boundaries creates pressure shadows and draws mineralising fluid consequent of, and proximal to, major transfer fault displacement events.

The results indicate that the regional geological trend and the underlying transfer faults have generated dilation domains, drawing in mineralising fluids into the Kossanke/Celein licence areas.

Best expressed areas of anomalism are presented in the following tables:

Kossanke Licence - Interpreted First Pass Gold-in-Soil Anomalism.

Anomalous Location	Comment	width	strike
① Northwestern sector, trends NNE-SSW;	One zone interp'd, in two off-set strike segments each broken by NE-SW transfer faults; relatively thin .	1 principal zone of >40ppb; variable width between 100m to 150m across.	Broken but persists in four parts of 2+km each.
② Central corridor , trends NNE-SSW; Incl. Well Gold's Kossanke, Daoulemba, Seven Leaders prospects.	Principal zone of mineralisation, extending more or less, with off-sets, for the full length of the licence. Strong in the centre and south. Weaker in the north.	Multiple (2-3) zones; of >100ppb from ~150m to 800m across.	zone more or less persists for 28km; disjointed by faulting.
③ East Central trend, trends NNE-SSW;	East of and parallels ① but much weaker ; zones are relatively narrow, but each is double, broken by faults at 2-3km intervals.	>40ppb; 100-150m across.	Broken but persists on and off with ②.
④ North eastern sector, the Koudi trend , trending NNE-SSW;	Multiple zones, up to 3 strong broad and persistent zones.	>40ppb; 500+m across.	Off-set by transfer faulting ~8km.

Celein Licence - Interpreted First Pass Gold-in-Soil Anomalism.

Anomalous Location	Comment	width	strike
① North eastern sector, trending NNE-SSW;	Two convergent domains; perhaps developed from a locally repetitious sequence of sediment and volcanics.	from 2 to 4 zones of >40ppb; variable width between 100m to 600m across.	Broken but persists for 3 to 4km.
② West Central, trends NNE-SSW;	Western extension of the above. Series of narrow zones, set > 200m apart.	Up to 3 zones of >40ppb each ~150m across.	disjointed ~<1km.
③ East Central, trends NNE-SSW;	Eastern extension of ①; 2 strongly (x100ppb) expressed double zones	>40ppb; 100-150m across.	Broken but persists for ~3km.
④ South central, trending NNE-SSW;	2 x narrow widely spaced zones	>40ppb; 100m across.	~1km.

The interpretative plans have subsequently been used to design a programme of infill soil sampling planned for Q2, 2012, the interpretive results from which will provide a focus and thereby a significant cost savings in subsequent drill programmes. This programme will require as many samples as the first-pass programme (~3,000 composited from 50m centres) and will close up the soil sample line spacing to 330m.

It is currently planned to drill two RC/DD fences in Q2, 2012 across the Kossanke Licence's ***Daoulemba Prospect*** previously tested by Wells Gold. These new fences will be used to i) validate the results reported by Wells Gold's drill fences; ii) aid in the assessment of the strike persistence, character and associations of the gold mineralisation; and iii) to calibrate the effectiveness of Burey's infill soil sampling programme and interpretation.

Follow-up RC drilling is planned for Q3, 2012.

Ends

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The information in this update 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.