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DECEMBER 2010 QUARTERLY ACTIVITY REPORT

Burey Gold Limited (ASX-BYR) is pleased to report its activities for the December 2010 Quarter on the Company's projects in Guinea, West Africa.

Highlights

- The Company commenced drilling at the Balatindi licence with a planned initial phase of 1,500 metres of diamond core drilling testing the large polymetallic anomaly (Au, Cu, U) outlined by soil sampling and mapping carried out by Burey.
- Seven diamond core drill holes were completed with one drill hole, BLDD003, requiring extending. Total meterage completed in the seven holes was 2,414.1 metres.
- Field crews were de-mobilised during late November and December due to logistical constraints during the Presidential run-off election process in Guinea, however a small crew remained to continue logging and cutting of core.
- Drill hole BLDD001 samples were despatched for sample preparation and analysis, results of which are still pending.

Post Period Highlights

By the end of January 2011, a total of nine drill holes were completed within the initial drill phase. Two drill holes BLDD003 (TD 477m) and BLDD009 (TD 483m) still require further deepening due to inherent drill rig problems attaining the depth required. Both holes remain open in mineralisation and will be completed when a suitable rig is sourced. The final drill hole, BLDD010, had progressed to a depth of 407 metres and was continuing in mineralisation. Total meterage, inclusive of BLDD010, drilled to end of January is 3,381.1 metres.

Initial comments on a preliminary review of the Baltindi core, and in particular as exemplified in drill hole BLDD005, shows upper levels to display distinct foliation marked by magnetite/ferro-magnetite [interpreted to be flow foliation of an effusive] then in pottassic (+/- haematite dusted? rhyolite/rhyodacite?). Occasional inclusions of mafic (chloritic) meta-sediments (possibly representative of upper greenschist facies) are suggestive of a subaqueous setting. Some intervals exhibit various degrees of recrystallized (very aphanitic (glassy)) quench.

The core is more or less, variously albitized throughout and is more or less silicified. Generally, with depth, the core becomes more equi-granular with domains of grey, occasionally vuggy (bleached?) and pottassic pink-red in colour, suggestive of a subvolcanic?

Gold mineralisation dispersion appears constrained by flow foliation. An interpreted late acid intrusive appears to displace gold mineralisation away from the constraint of the foliation, suggestive of a poly-phase event?

Thin section petrology indicates the presence of trace amounts of iron; copper; gold; lead; zinc; silver; bismuth; tellurium; titanium; uranium and thorium minerals. Magnetite is seen to be rimming sulphides in part. Uranium and thorium is present as thorite. Mineralisation is poly-phase. The presence of anhydrite, as pro-grade minerals, suggests possible evaporitic origins for some solution events.

ACTIVITY UPDATE

Burey has concentrated its exploration efforts during the quarter on the Balatindi Licence (Kerouane suite of projects) with diamond drilling of the main polymetallic anomaly. The Mansounia and Kossanke Projects will be the subject of exploration activities during the first and second quarters of 2011. Figure 1. Location plan below.



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

Activities during the December Quarter 2010

Burey had planned an initial phase of 2,000 metres of diamond core drilling to test the Balatindi polymetallic anomaly as outlined by soil sampling and mapping carried out by Burey and subsequently aided with the late acquisition of historical exploration data reported by Mining Italiana in 2004.

An additional 2,000 metres of reverse circulation (RC) drilling is also nominally earmarked for drilling after completion of the diamond drilling program, to test encouraging surface mapping results being returned from elsewhere on the licence area.

Diamond Drilling Preliminary Interpretation

Burey's first diamond drill holes on the Balatindi licence are located within the defined gold-in-soil anomaly. Figure 2.

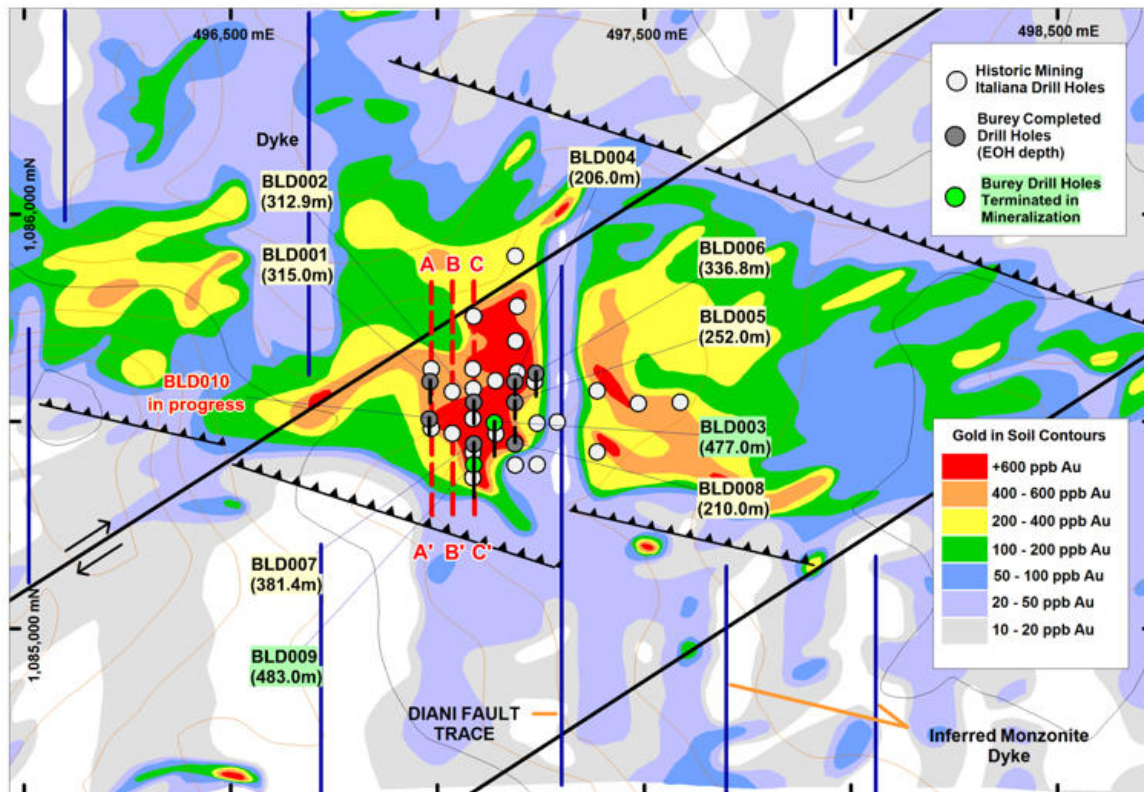


Figure 2. Balatindi Drill Hole Locations.

All holes are HQ core holes, inclined at an angle of 10° off vertical on an azimuth of 180° (true). Initially programmed to target depths of a nominal 150m to 200m, all holes have surpassed these depths as a direct result of the persistence of disseminated zones of magnetite and copper sulphide mineralisation being encountered in all holes. Table 1.

The holes form part of a pattern designed to confirm the geometry and tenor of a gold enriched cap to an otherwise polymetallic mineralised setting, which Burey has conjectured to be evident from the recovered portions of the historic Mining Italiana drill results. Each run of drill core recovered by Burey has been oriented using a Reflex ActII RD orientation tool.

Hole No.	Easting	Northing	Decl. off Vert.	Azi	Planned Depth m	Actual Depth m
BLD001	496982	1085600	10°	180°	150	315
BLD002	497088	1085550	10°	180°	150	312.9
BLD003	497138	1085500	10°	180°	200	477 ¹
BLD004	497188	1085600	10°	180°	100	206
BLD005	497188	1085550	10°	180°	150	252
BLD006	~497238	~1085620	10°	180°	150	336.8
BLD007	~497088	~1085450	10°	180°	180	381.4
BLD008	~497188	~1085450	10°	000°	200	210
BLD009	~497088	~1085400	10°	180°	200	483 ¹
BLD010	496980	1085510	10°	180	250	407 ²

Table 1. Drill Hole Information.

¹ Hole remains open. ²Hole in progress

Geological Setting

The drill area is an area of active erosion with the surface variously scattered with outcrop and float and saprock seen to extend for less than 4m below surface in the Burey drill holes. The initial impression of the host geological setting is that of a largely coherent “potassic brown-red” coloured rhyodacitic lava and/or subvolcanic, predominantly medium, but varying to coarser and finer grained. Very occasional, thin (<1m), cross-cutting [at a high angle to the core axis] fine to medium grained granophyres, carrying an associated weak radiometric kick, are evident throughout. Very fine grained mafic (largely chloritized?) inclusions and/or very occasional thin mafic litho-units have also been logged.

Alteration

Alteration appears intense and polyphase. Pervasive expressions of potassic and silicic alteration are dominant throughout with the hard amorphous nature of the latter initially rendering drilling quite slow. Zones of strong chloritization, overprints of clay and banded to disseminated sulphidic (<2%) alteration are also preliminary interpretations. Interestingly, magnetite coexists and encloses much of the copper sulphide (chalcopyrite?) mineralisation.

It is conjectured, assuming the Mining Italiana data to be a valid guide, that the more sulphidic zones are gold enriched. As such zones of sulphidic dissemination continued to be intersected in strength to depth, Burey’s drilling was continued until such mineralisation and alteration appeared to weaken whereupon each of the first two holes was terminated shortly thereafter. The third hole ran out of rods before mineralisation weakened.

Two pervasive fabrics are dominant in the core; one is interpreted to be a primary feature (perhaps compressional layering?) the second fabric contains the chloritised, clay and sulphidic alteration. These two fabrics are somewhat orthogonal to each other in the top of the hole with the chlorite-clay-sulphide alteration appearing fairly flat and the “primary” fabric fairly steep. Gradually they appear to converge down hole, the “primary” fabric remaining steep, with both cut at an acute angle by the core low in the hole.

Planned Work Programme

With the completion of the diamond drilling program at Balatindi, Burey has designed a second drilling program, Programme 2, which is 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 alteration anomaly which Burey has identified to extend beyond the broad gold anomaly and will cover some 16km x 6km.

Geological interpretation of the diamond core drilling results and lithologies will also be undertaken to assist with further planning of drill holes.

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

Activities in the December Quarter, 2010

No field activities were completed at the project during the quarter.

Planned Work Programmes

In the March Quarter 2011, Burey plans to establish the first vehicle access track into the 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 March Quarter, with drilling (RC and diamond core) anticipated for the March Quarter, 2011 with drilling contractor, Amco Drilling scheduled to carry out this work.

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

Activities during the December Quarter 2010

No field activities were completed at the project during the quarter.

Planned Work Programme

Drilling of the Mansounia licence area will commence in February 2011.

As previously reported, 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 Mansounia Gold Deposit. 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.
- 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.

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

Activities in the December Quarter, 2010

No field activities were completed at the project during the quarter.

Planned 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 March 2011 subject to mobilisation of the field contractor. RC drilling will then follow to validate past drilling results and to test new areas once the soil sample results are availed.

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Chairman

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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