

REPORT TO SHAREHOLDERS

MARCH QUARTER, 2004

Highlights

- ⑩ Completion of placement to Investor Group.
- ⑩ Appointment of new Directors.
- ⑩ Investment in Gympie Gold.

Placement and Board Changes

On 20 February 2004, Buka shareholders approved a placement of shares to an incoming investor group. That placement was finalised on 26 February 2004 and four new Directors were appointed to the Buka Board:

Robert Champion de Crespigny AC was appointed as Buka's Chairman. Mr Champion de Crespigny was the founder of Normandy Mining and its chief executive until its acquisition by Newmont in 2002. He is Chairman of PrimeLife Corporation Limited and of the South Australian Economic Development Board and Chancellor of the University of Adelaide.

Mark Carnegie was appointed as a non-executive Director. Mr Carnegie is a principal of the boutique investment advisory firm, Carnegie Wylie & Company, and has had a successful career in private equity.

Ronald Walker AC CBE was appointed a non-executive Director. Mr Walker is Chairman of the Australian Grand Prix Corporation and the Melbourne 2006 Commonwealth Games, Deputy Chairman of PrimeLife Corporation Limited and a director of a number of public companies, including John Fairfax Holdings Limited.

John Richards was appointed as Buka's Managing Director. Mr Richards has 20 years resources industry experience, including 11 years at Normandy Mining from 1989, ending as Group Executive, Strategy and Business Development. Immediately prior to his appointment, he was Head of Standard Bank's Mining & Metals Advisory business in the Asia-Pacific region.

Tom Klinger and Angus Collins remain as Directors. Two former Directors, Ray Soper and Andrew Kroger, retired from the Board, having provided substantial guidance over a number of years.

Registered Office

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The Company's Directors are all substantial shareholders, or associates of substantial shareholders, in the Company and are extremely focused on Buka's success. The non-executive Directors have agreed not to receive any Directors' fees until Buka is established and earning profits from which dividends can be paid to shareholders. Each of the new Directors is devoting substantial time and energy to advancing Buka's interests.

Existing Assets

Lady Annie Copper (Buka 100%)

During the quarter, Buka continued to investigate the optimum means of achieving a value-adding development of the previously reported Lady Annie mineral resource (8.86 million tonnes at 1.17% Cu in all categories). This included investigation of a number of proposals, with Buka's objectives focused on participation in a business best able to maximise the value of the project. Negotiations are well advanced in respect of a possible transaction which meets these objectives.

Copper market conditions remain buoyant, giving added confidence in a profitable development.

Lady Loretta Zinc (Buka 25%)

Buka's partner in Lady Loretta, Noranda Pacific Pty Limited, commenced a review of the Lady Loretta project, taking into account market conditions. This review is expected to be completed in the September 2004 quarter and Buka will review its position in relation to the project at that time.

Lady Loretta is a substantial, high grade zinc deposit with previously reported total ore reserves (in proved and probable categories) of 11.5 million tonnes grading 15.2% zinc, 5.4% lead and 90 g/t silver.

Zinc market conditions continued to improve during the quarter, improving the prospects for development of Lady Loretta.

Corporate

Share Issue

Following approval of shareholders at a General Meeting held 20 February 2004, on 26 February 2004 the Company completed the previously announced placement with the new Investor Group, allotting 42,235,001 shares at a price of 15.4 cents per share raising \$6.5 million in cash. The Investor Group was also granted 50,000,000 options at an exercise price of 20 cents exercisable between 1 October 2005 and 30 September 2010, and a further 50,000,000 options at an exercise price of 22.5 cents exercisable between 1 October 2006 and 30 September 2010.

Gympie Gold

As announced on 28 April 2004, subject to documentation and shareholder approval, agreement has been reached for the acquisition of a share in the senior secured debt of Gympie Gold Limited (Receivers and Managers Appointed, Voluntary Administrator Appointed). This investment is to be acquired from interests associated with certain of Buka's Directors and is to be made at the same cost as incurred by those associated parties, including holding costs. The consideration, which is to be settled by payment of cash from Buka's cash reserves, is estimated at today's date to be \$3.97 million.

The investment represents a low risk position in a dynamic situation.

29 April 2004

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COMPANY PROFILE

AS AT 31 MARCH 2004

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Principal Office

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Board of Directors

Robert Champion de Crespigny AC, Chairman
 John Richards, Managing Director
 Mark Carnegie
 Angus Collins
 Thomas Klinger
 Ronald Walker AC CBE

Company Secretary, John Walker

Share Capital

Issued Capital	138,515,846	ordinary shares
Share Options	50,000,000	options (exercise price 20c, exercisable between October 2005 and September 2010)
	50,000,000	options (exercise price 22.5c, exercisable between October 2006 and September 2010)

Substantial Shareholders

Investor Group ¹	42,235,001	ordinary shares
Triako Resources Limited	34,256,987	ordinary shares
Delphic Holdings Pty Ltd	22,469,213	ordinary shares

¹ Includes interests associated with Messrs Champion de Crespigny, Walker, Carnegie and Richards.