

BUKA MINERALS LIMITED**ASX ANNOUNCEMENT, 25 AUGUST 2005****BUKA GOLD LIMITED - LODGEMENT OF PROSPECTUS**

- Fully underwritten IPO to raise \$12 million.
- Priority offer for Buka Minerals shareholders registered as at 7.00pm AEST on 1 September 2005.
- Public offer opens 1 September 2005.
- 100% ownership of Gympie goldfield with prior production of 4 million ounces
- Current production of 20,000 ounces per annum.
- Advanced exploration targets accessible from existing mine infrastructure.

Flotation of Buka Gold Limited ("Buka Gold")

As foreshadowed in Buka Minerals Limited's ("Buka Minerals", "the Company") report for the June 2005 quarter, a prospectus has been lodged with ASIC in relation to a \$12 million initial public offering ("IPO") by Buka Gold Limited ("Buka Gold"). The offering is fully underwritten by Austock Corporate Finance Limited and partially sub-underwritten by Buka Minerals and Mizuho International plc ("Mizuho"). There has been strong interest from the professional investment community in the Buka Gold offering.

The prospectus is available to be downloaded from Buka Gold's website (www.bukagold.com.au). No application for shares can be made prior to the end of the exposure period on 1 September 2005, which may be extended by ASIC for a further seven days. Applications for shares may only be made on the application forms which will accompany the prospectus.

About Buka Gold

Buka Gold is being floated with the joint aims of securing funding for the exploration and evaluation of the highly prospective Gympie goldfield, and creating a significant new Australian gold mining business.



Buka Gold will hold tenements totalling 760 km² in area, covering the entire extent of the known Gympie goldfield and potential extensions.

Buka Minerals identified the opportunity to acquire and re-float the Gympie assets in early 2004. With its partners Mizuho and Investec, Buka Minerals has invested considerable funds in mine development and exploration, preparing for flotation, since acquiring the Gympie assets in October 2004.

Key features of Buka Gold include:

- an advanced exploration project with high quality targets which have suffered from a lack of funding commitment by previous owners;
- a large tenement position in a prolific goldfield;
- an operating mine, currently producing at the rate of 20,000 ounces per annum, with full infrastructure and services and capable of rapid production scale up in the event of discovery;
- recent discoveries offering potential for near term development;
- a well credentialled, highly experienced Board of Directors:

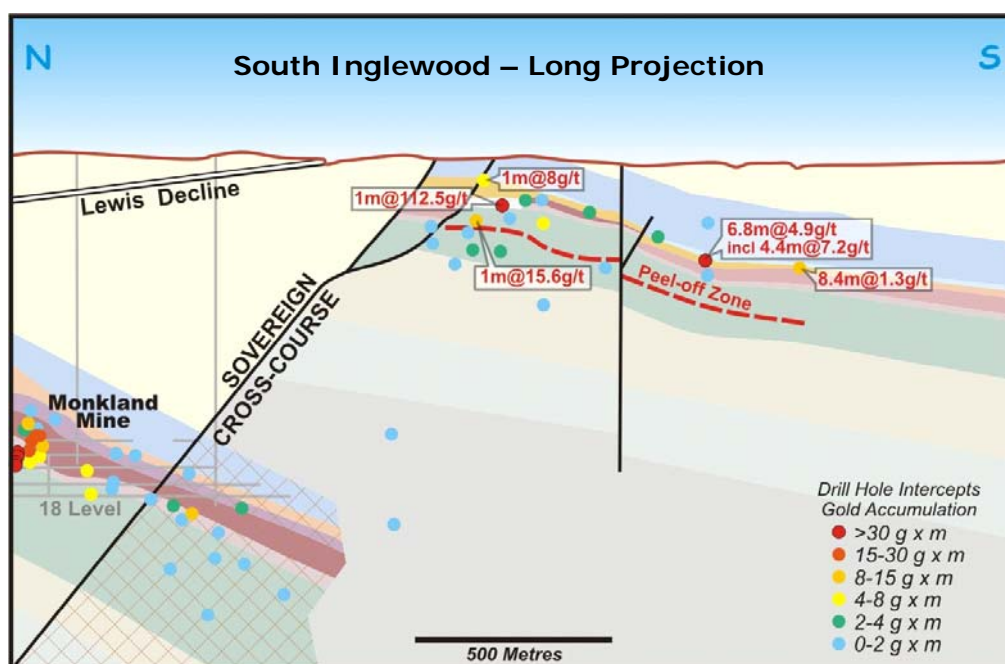
David Hillier, Non-executive Chairman – former Chief Financial Officer of Normandy Mining Limited;

Michael Hulmes, Managing Director – former General Manager, Australian Operations of Barrick Gold Corporation, General Manager of Plutonic gold mine;

John Richards, Non-executive Director – Managing Director of Buka Minerals;

- a company with the aim and capability of building a business in a fragmented industry with few investment alternatives.

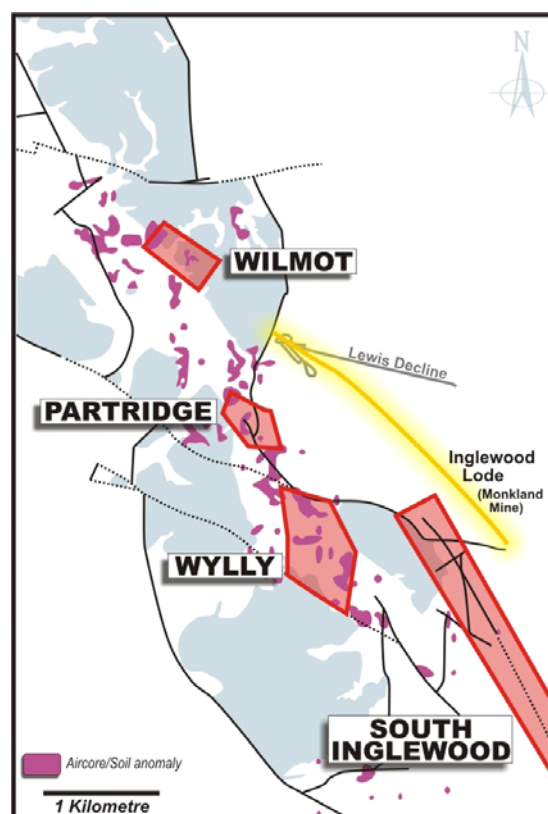
The early focus of Buka Gold's exploration efforts at Gympie will be the South Inglewood prospect, identified in 2002 as the faulted (upward) extension of the Monkland mine sequence where historic gold production exceeded 2 million ounces.



The South Inglewood prospect, together with the recently discovered Wyllly, Partridge and Wilmot prospects, are all located within 1 kilometre of existing mine infrastructure and provide the potential for a rapid increase in the current production rate in the event of a discovery.

The Wyllly prospect was discovered in April 2005 with visible gold observed in seven of eight drillholes in the initial programme including previously reported downhole intercepts of 11.62m at 5.7g/t (including 1.0m at 35.8g/t) and 4.33m at 9.0g/t (including 0.84m at 38.8g/t).

Buka Gold will be Buka Minerals' vehicle for investment in the Australian gold industry and Buka Minerals will work closely with Buka Gold's Board and management to help build the business.



Impact on Buka

Upon completion of the IPO, Buka Minerals will own approximately 58.4%¹ of Buka Gold's issued capital with a value, at the issue price, of \$16.865 million.

Also upon completion, and in connection with the previously announced transactions with Investec Bank (Australia) Limited ("Investec") and Mizuho International plc ("Mizuho"), Buka Minerals will:

- receive \$1.82 million in cash from Investec;
- dispose of all of its remaining interests in the senior secured debt of Gympie Gold Limited (Receivers & Managers Appointed) (Liquidators Appointed); and
- issue new ordinary shares in Buka Minerals to Investec and Mizuho.

While the final numbers of shares to be issued remain subject to adjustment, it is currently expected that 20,619,489 shares will be issued to Investec and 27,325,698 shares will be issued to Mizuho, giving Investec and Mizuho 11.06% and 14.65%, respectively, of Buka Minerals' expanded capital, expected to be 186,461,033 shares.

¹ Buka Minerals has sub-underwritten part of the offer. If it is required to subscribe for shares to the full amount of this commitment, Buka Minerals' holding would increase to 61.9%.

Priority Offer

A priority offer is open to Buka Minerals shareholders registered as at 7.00pm on 1 September 2005 (the "Record Date"²) who have registered addresses in Australia. Under the priority offer, 4,000,000 shares (together with 2,000,000 attaching options) at the issue price of \$0.50 per share have been reserved for Buka shareholders. Buka Minerals shareholders may apply for a minimum of 4,000 Buka Gold shares and thereafter in multiples of 1,000 shares. If the total number of Buka Gold shares applied for under the priority offer exceeds 4,000,000 shares, the excess applications will be considered together with applications under the public offer.

To have an application considered as part of the priority offer, eligible Buka Minerals shareholders must correctly fill in the light blue Priority Offer Application Form and return it, together with the full amount payable, so that it is received by Buka Gold's share registry no later than 5.00pm AEST, on 23 September 2005. A copy of the prospectus will be mailed to Buka Minerals shareholder immediately after the Record Date.

For further information contact:

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Competent Persons' Statement:

References to exploration results and mineralisation in relation to Gympie Eldorado were reviewed by Steve Havenaar, BSc (App. Geol.) who is a member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy, and is a full time employee of Gympie Eldorado Mining Pty Limited, with not less than five years experience in the relevant fields. Mr Havenaar has consented to the inclusion of the information in this announcement in the form and context in which it appears.

² All dates are subject to change without notice.