BUKA
MINERALS LIMITED

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BUKA MINERALS LIMITED

ASX ANNOUNCEMENT, 21 FEBRUARY 2006

INTERIM FINANCIAL REPORT

The Interim Financial Report for the six month period ended 31 December 2005 is attached.

Buka recorded a loss for the half year of $8.527 million, largely reflecting a decision by the Board of Buka Gold Limited ("Buka Gold") to take provisions against the carrying value of certain of its assets. These provisions are non-cash in nature.

The interim financial statements have been audited, as required for their inclusion in the Prospectus to be issued by Greenwich Resources plc ("Greenwich") in connection with the proposed merger of Buka, Greenwich and Danae Resources NL ("Danae"), the associated capital raising and re-admission to the Official List and trading on the London Stock Exchange.

Greenwich's Bidder's Statement and Buka's and Danae's Target's Statements are due to be mailed to Buka and Danae security holders at the beginning of next week.

Results for announcement to the market

	% Change	$A'000
Revenue from ordinary activities	Up by 11.1%	2,368
Profit/(Loss) from ordinary activities after tax attributable to members	N/A	(8,527)
Net Profit/(Loss) for the period attributable to members	N/A	(8,527)

It is not proposed to pay a dividend for the period.

Additional Information

Net Tangible Assets per share 18.20 cents (2004: 15.44 cents).

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the attached report.

For further information, please contact:

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Managing Director

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BUKA
MINERALS LIMITED

ABN: 25 000 741 373

HALF-YEARLY REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2005

20 FEBRUARY 2006

Directors' Report

The directors of Buka Minerals Limited ("Buka", "the Company") submit their report for the half-year ended 31 December 2005.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Robert J Champion de Crespigny AC (Chairman)
John Richards (Managing Director)
Mark H Carnegie (Non-Executive Director)
Ronald J Walker AC CBE (Non-Executive Director)
Robert J McDonald (Non-Executive Director) - appointed 24 October 2005

REVIEW AND RESULTS OF OPERATIONS

The December 2005 half saw further progress in the Company's change to being a resource finance and investment company.

The major event during the period was the announcement, on 27 October 2005, of a merger with Greenwich Resources plc ("Greenwich") and Danae Resources Limited ("Danae") which will see Buka shareholders become the major owners of a larger business with a primary listing on the Official List of the London Stock Exchange.

Completion of this merger, and an associated capital raising, will see Buka achieve two of its strategic objectives, being the gaining of access to the deeper and broader United Kingdom capital market and an improvement in transaction flow arising from a move to a London base. Buka shareholders will also gain interests in the Sappes gold project in Greece (held by Greenwich) and the Vostok copper project in Kazakhstan (held by Danae). Danae is also seeking to form a joint venture to develop the Zarmitan gold project in Uzbekistan.

The second key event in the period was a series of transactions in which Buka disposed of its interest in the senior secured debt of Gympie Gold Limited and, through Buka Gold Limited, which became a 58.43% owned subsidiary, acquired the Gympie gold mine and associated exploration properties. After raising $12 million in an initial public offering, Buka Gold was listed on ASX on 13 October 2005. These transactions also saw the diversification and strengthening of the Company's balance sheet and the introduction of two important new shareholders, Investec Bank and Mizuho International.

Difficult operating conditions at the Gympie mine, particularly in November 2005, gave rise to a decision to restructure mine operations. In view of this restructuring, the announcement of which led to a significant decline in Buka Gold's share price and thus in the value of Buka's investment, Buka Gold's Board has decided to write down the value of some of its balance sheet assets. This has resulted in a similar write-down in Buka's consolidated accounts and is the primary reason for Buka recording a loss of $8.527 million for the half year. It is noted that the great majority of these losses are non-cash in nature.

Directors' Report (continued)

ROUNDING

The amounts contained in the half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

The independence declaration from our auditors, Ernst & Young is on page 4.

Signed in accordance with a resolution of the directors.

John Richards
Managing Director

Sydney, 20 February 2006

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BUKA MINERALS LIMITED

In relation to our audit of the financial report of Buka Minerals Limited for the 6 months ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

GG Daniels
Partner
20 February 2006

Condensed Income Statement
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Notes	CONSOLIDATED	
		Audited 2005 $'000	Reviewed 2004 $'000
Revenue	2	1,962	-
Cost of sales		(2,857)	-
Gross profit/(loss)		(895)	-
Other income	2	406	2,132
Other expenses		(1,761)	(638)
Write-down of impaired assets	2	(11,744)	-
Profit/(loss) before tax and finance costs	2	(13,994)	1,494
Finance costs		(32)	-
Profit/(loss) before income tax		(14,026)	1,494
Income tax expense		-	-
Profit/(loss) after tax		(14,026)	1,494
Loss attributable to minority interest		(5,499)	-
Net profit/(loss) attributable to members of parent		(8,527)	1,494
Earnings per share (cents per share)			
-basic for profit/(loss) for the half-year		(5.27)	1.08
-diluted for profit/(loss) for the half-year		(5.27)	0.81

Condensed Balance Sheet

AS AT 31 DECEMBER 2005

	Notes	*CONSOLIDATED*	
		Audited As at 31 Dec 2005 $'000	*Audited As at 30 June 2005 $'000*
ASSETS			
Current Assets			
Cash and cash equivalents	8	9,172	407
Trade and other receivables		3,176	2,766
Inventories		766	-
Prepayments		408	22
Other financial assets		138	-
Total Current Assets		13,660	3,195
Non-Current Assets			
Receivables		544	544
Available-for-sale financial assets		9,470	7,432
Exploration, evaluation and development costs		11,903	6,575
Property, plant and equipment		3,219	12
Other financial assets		-	3,873
Total Non-Current Assets		25,136	18,436
TOTAL ASSETS		38,796	21,631
LIABILITIES			
Current Liabilities			
Trade and other payables		2,177	233
Provisions		794	17
Total Current Liabilities		2,971	250
Non-Current Liabilities			
Interest-bearing loans and borrowings		482	-
Provisions		1,232	-
Total Non-Current Liabilities		1,714	-
TOTAL LIABILITIES		4,685	250
NET ASSETS		34,111	21,381
EQUITY			
Issued capital	3	42,182	27,559
Accumulated losses		(14,232)	(5,110)
Other reserves		970	(1,068)
Parent Interests		28,920	21,381
Minority Interests		5,191	-
TOTAL EQUITY		34,111	21,381

Condensed Cash Flow Statement
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Notes	*CONSOLIDATED*	
		Audited 2005 $'000	*Reviewed 2004 $'000*
Cash flows from operating activities			
Receipts from customers		2,445	-
Payments to suppliers and employees		(5,074)	(764)
Interest received		129	120
Other		-	(336)
Net cash flows used in operating activities		(2,500)	(980)
Cash flows from investing activities			
Proceeds from sale of investments		-	2,000
Purchase of property, plant and equipment		(39)	(7)
Purchase of investments		(62)	(5,509)
Acquisition of subsidiary, net cash acquired	5	107	-
Repayment of debt instruments		-	592
Payments for exploration, evaluation and development costs		(1,317)	(100)
Net cash flows used in investing activities		(1,311)	(3,024)
Cash flows from financing activities			
Net proceeds from issue of shares		1,823	-
Net proceeds from issue of shares by subsidiary		10,753	-
Net cash flows from financing activities		12,576	-
Net increase/(decrease) in cash and cash equivalents		8,765	(4,004)
Cash and cash equivalents at beginning of period		407	6,210
Cash and cash equivalents at end of period	8	9,172	2,206

Condensed Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Attributable to equity holders of the parent				*Minority interest*	*Total equity*
CONSOLIDATED (Reviewed)	*Issued capital $'000*	*Retained earnings $'000*	*Other Reserves $'000*	*Total $'000*	*$'000*	*$'000*
At 1 July 2004	27,559	(6,240)	-	21,319	-	21,319
Net gains on available-for-sale financial assets	-	-	900	900	-	900
Total income/expense for the period	-	1,494	900	2,394	-	2,394
At 31 December 2004	27,559	(4,746)	900	23,713	-	23,713

	Attributable to equity holders of the parent				*Minority interest*	*Total equity*
CONSOLIDATED (Audited)	*Issued capital $'000*	*Retained earnings $'000*	*Other Reserves $'000*	*Total $'000*	*$'000*	*$'000*
At 1 July 2005	27,559	(5,110)	(1,068)	21,381	-	21,381
Net gains on available-for-sale financial assets	-	-	2,038	2,038	-	2,038
Total income and expense for the period recognised directly in equity	-	-	2,038	2,038	-	2,038
Loss for the period	-	(8,527)	-	(8,527)	(5,499)	(14,026)
Total income/expense for the period	-	(8,527)	2,038	(6,489)	(5,499)	(11,988)
Issue of share capital	14,623	-	-	14,623	-	14,623
Acquisition of Gympie Eldorado Mining Pty Ltd and Buka Gold Limited IPO	-	(595)	-	(595)	10,690	10,095
At 31 December 2005	42,182	(14,232)	970	28,920	5,191	34,111

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Buka Minerals Limited as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('AGAAP').

It is also recommended that the half-year financial report be considered together with any public announcements made by Buka Minerals Limited and its controlled entities during the half-year ended 31 December 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for available-for-sale financial assets that have been measured at fair value.

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

(b) Statement of Compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half-year financial report prepared based on AIFRS and comparatives for the half-year ended 31 December 2004 and full-year ended 30 June 2005 have been restated accordingly. A summary of the significant accounting policies of the Group under AIFRS are disclosed in Note 1(c) below.

Reconciliations of:

- AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005; and
- AIFRS profit for the half-year 31 December 2004 and full year 30 June 2005, to the balances reported in the 31 December 2004 half-year report and 30 June 2005 full-year financial report prepared under AGAAP are detailed in Note 1(e) below.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies

(i) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Buka Minerals Limited and its subsidiaries ('the Group').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Buka Minerals Limited has control.

Minority interests represent the interests in Buka Gold Limited not held by the Group.

(ii) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment – shorter of applicable mine life or depending upon the nature of the asset between 3 to 15 years

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(ii) Property, Plant and Equipment (continued)

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(iii) Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

(iv) Intangible Assets

Acquired both separately and from a business combination
Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the ‘administrative expenses’ line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(v) Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(v) Recoverable Amount of Assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(vi) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(vii) Exploration, Evaluation, Development and Restoration Costs

Exploration & Evaluation
Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest are written off in the Income Statement when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Development
Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(vii) Exploration, Evaluation, Development and Restoration costs (continued)

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration
Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining Mine Lives
In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves and resources but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(viii) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(ix) Trade and Other Receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(x) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(xi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xii) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(xii) Leases (continued)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the Lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(xiii) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends
Revenue is recognised when the shareholders' right to receive the payment is established.

(xiv) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to the Half-Year Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(xiv) Income Tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(c) Summary of Significant Accounting Policies (continued)

(xv) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(d) AASB 1 Transitional Exemptions

The Group has made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Business combinations
AASB 3 'Business Combinations' was not applied retrospectively to past business combinations (i.e. business combinations that occurred before the date of transition to AIFRS).

Exemption from the requirement to restate comparative information for AASB 132 and AASB 139
The Group has not elected to adopt this exemption and has applied AASB 132 'Financial Instruments: Presentation and Disclosure' and AASB 139 'Financial Instruments: Recognition and Measurement' to its comparative information.

Notes to the Half-Year Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(e) Impact of Adoption of AIFRS

The impacts of adopting AIFRS on the total equity and profit after tax as reported under Australian Accounting Standards applicable before 1 January 2005 ('AGAAP') are illustrated below.

(i) Reconciliation of total equity as presented under AGAAP to that under AIFRS

	CONSOLIDATED		
	30 Jun 05 $'000	***31 Dec 04 $'000***	***01 Jul 04 $'000***
Total equity under AGAAP	22,449	22,813	21,319
Adjustments to equity			
Changes in valuation of financial assets	(1,068)	900	-
Tax effect of the above adjustments	-	-	-
Total equity under AIFRS	21,381	23,713	21,319

(ii) Reconciliation of profit after tax under AGAAP to that under AIFRS

There are no differences between the profit/(loss) after tax under AGAAP to that under AIFRS as previously reported for the year ended 30 June 2005 and the corresponding half year ended 31 December 2004.

(iii) Explanation of material adjustments to the cash flow statements

There are no material differences between the cash flow statements presented under AIFRS and those presented under AGAAP.

(f) Comparatives

The half year ended 31 December 2005 have been audited whereas the comparatives for the half year ended 31 December 2004 were only independently reviewed by the Company's auditors.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

2 REVENUE AND EXPENSES

(a) Specific Items

Profit/(loss) before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of entity:

	CONSOLIDATED	
	Audited 2005 $'000	***Reviewed 2004 $'000***
(i) Revenue		
Sale of gold	1,954	-
Sale of other goods	8	-
	1,962	-
(ii) Other income		
Interest income received	130	117
Interest – other (unwinding of discount)	133	-
Gain from disposal of Lady Annie Project	-	2,015
Profit on disposal of fixed assets	8	-
Rendering of services	10	-
Other income	125	-
	406	2,132
(iii) Other expenses include		
Amortisation of development costs	350	-
Consultants fees	461	
Depreciation	86	4
Employee benefits	377	182
Legal fees	58	64
Travel	129	53
(iv) Write-down of Buka Gold Limited impaired assets		
Intangibles	250	-
Mine development	4,000	-
Mine exploration	637	-
Surface exploration	6,357	-
Plant & equipment	500	-
	11,744	-

The above write-downs are a result of an operational and exploration review conducted by Buka Gold Limited, a controlled entity, in December 2005. The major elements of the write downs relate to the likely early completion of mining of the Museum orebody and indications from recent exploration that reduced the likelihood of identifying new reserves outside the existing workings in a short time frame. Additional comments are contained in Note 7.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

3 ISSUED CAPITAL

	CONSOLIDATED	
	Dec 05 $'000	***Jun 05 $'000***
Ordinary shares		
Issued and fully paid	42,182	27,559
	No. '000	*$'000*
Movements in ordinary shares on issue		
At 1 July 2005	138,516	27,559
Issued on 7 October 2005	48,945	14,623
	187,461	42,182

4 SEGMENT REPORTING

Business Segments

The following table presents the revenue and profit/(loss) information regarding business segments for the half-year periods ended 31 December 2005 and 31 December 2004.

	Continuing Operations		
	Gold Operations $'000	***Investment & Finance $'000***	***Total $'000***
31 December 2005			
Segment revenue	2,194	174	2,368
Segment result	(13,226)	(800)	(14,026)
31 December 2004			
Segment revenue	-	2,132	2,132
Segment result	-	1,494	1,494

5 CHANGE IN COMPOSITION OF ENTITY

Acquisition of Gympie Eldorado Mining Pty Limited ("GEM")

The Company originally acquired 12.885% of GEM, an unlisted private gold mining and exploration company based in Gympie, Queensland Australia, in September 2004. On 6 October 2005, the Company through its subsidiary Buka Gold Limited, acquired 100% of the voting shares in Gympie Eldorado Mining Pty Limited.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

5 CHANGE IN COMPOSITION OF ENTITY (continued)

In connection with the business combination, the Company issued 41,868,172 ordinary shares on 7 October 2005 to Investec and Mizuho at an issue price of 30 cents per share.

After raising $10,699,000 ($12,000,000 less cost of capital raising) in an initial public offering, Buka Gold Limited was listed on the Australian Stock Exchange on 13 October 2005.

From the date of acquisition, Gympie Eldorado Mining Pty Limited has contributed ($12,967,000) to the net loss of the Group.

The fair value of the identifiable assets and liabilities of Gympie Eldorado Mining Pty Limited as at the date of acquisition were:

	CONSOLIDATED	
	Recognised on acquisition $'000	***Carrying value $'000***
Property, plant and equipment	3,720	3,720
Development	4,476	4,476
Exploration and evaluation	11,046	3,326
Intangibles	250	250
Cash and cash equivalents	212	212
Trade and other receivables	791	791
Inventories	891	891
Trade and other payables	(2,186)	(2,186)
Provisions	(2,070)	(2,070)
Loans	(1,287)	(1,287)
Fair value of net assets	15,843	8,123
Consideration:		
Shares issued, at fair value to acquire 87.115%	12,560	
Sale of Gympie debt	2,124	
Cash	105	
Accumulated losses (a)	(595)	
Cost of acquiring original 12.885% & loans advanced	1,649	
	15,843	
The cash inflow on acquisition is as follows:		
Cash paid	(105)	
Net cash acquired with subsidiary	212	
Net cash inflow	107	

(a) Represents the parent entity share of post-acquisition losses incurred from the period 27 September 2004 to 6 October 2005 when the Company held 12.885% of GEM.

Notes to the Half-Year Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

6 CONTINGENT ASSETS AND LIABILITIES

The consideration for the sale of the Company's interest in the Lady Annie copper project to CopperCo Limited in September 2004 includes further cash consideration totalling $2,000,000 which may be receivable if certain conditions are satisfied. These cash receivables have not been recognised in the financial statements as they are contingent on conditions that have not yet been met.

There are no contingent liabilities as at 31 December 2005.

7 EVENTS AFTER THE BALANCE SHEET DATE

The Company announced on 25 January 2006 that the Australian Securities and Investments Commission had granted a further modification of the Corporations Act (Cth 2001) allowing Greenwich Resources plc to delay mailing of its Bidder's Statement in relation to the proposed merger of the Company, Greenwich and Danae Resources NL until 26 February 2006 at the latest.

On 1 February 2006, the Company announced that it and Falconbridge had agreed to move the Lady Loretta zinc project towards development. Work aimed at updating and upgrading the studies undertaken by Falconbridge prior to obtaining its 75% equity in the project in 2001 has commenced.

Buka Gold Ltd, a controlled entity, announced the outcomes of an operational review at its Gympie gold mine on 16 January 2006. This review concluded that the preferred ongoing operating regime will be based on a significantly smaller, but profitable operation that will target smaller tonnages of higher grade material. It is expected that the Museum orebody will be depleted by mid-February 2006 and that further retrenchments may take place as a consequence of this. The number of retrenchments will depend upon the success of the initiatives adopted following the review.

8 ADDITIONAL INFORMATION

Reconciliation of Cash

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the follow at 31 December:

	CONSOLIDATED	
	2005	***2004***
	$'000	***$'000***
Cash at bank and in hand	8,983	2,206
Short-term deposits	189	-
	9,172	2,206

Directors' Declaration

In accordance with a resolution of the directors of Buka Minerals Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity:

  (i) give a true and fair view of the financial position as at 31 December 2005 and the performance for the half-year ended on that date of the consolidated entity;

  (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

John Richards
Managing Director

Sydney, 20 February 2006

INDEPENDENT AUDIT REPORT TO MEMBERS OF BUKA MINERALS LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, the other information set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules for the consolidated entity comprising both Buka Minerals Limited (the company) and the entities it controlled during the period, and the directors' declaration for the company for the 6 months ended 31 December 2005.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the *Corporations Act 2001,* and the ASX Listing Rules as they relate to Appendix 4D. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company and in order for the company to lodge the financial report with the ASX and the Australian Securities and Investments Commission. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, and the ASX Listing Rules as they relate to Appendix 4D, a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

The income statement, balance sheet and statement of cash flows and related notes for the half-year ended 31 December 2004, which are shown for the purposes of comparison, have not been audited; rather, they were the subject of a review. Our review of the comparative income statement, balance sheet and statement of cash flows and related notes was conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the company's personnel and analytical review procedures applied to financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the comparative income statement, balance sheet and statement of cash flows and related notes.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the director's of the company a written Auditor's Independence Declaration a copy of which is included with the Directors' Report.

Audit Opinion

In our opinion, the financial report of the consolidated entity comprising Buka Minerals Limited and the entities it controlled during the 6 months ended 31 December 2005 is in accordance with:

(a) the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2005 and of its performance for the 6 months ended on that date; and

    (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

(b) other mandatory financial reporting requirements in Australia and the ASX Listing Rules as they relate to Appendix 4D.

Ernst & Young

GG Daniels
Partner
Sydney
20 February 2006