BUKA GOLD LIMITED

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ASX ANNOUNCEMENT, 18 OCTOBER 2005

SEPTEMBER QUARTER UPDATE

Highlights

- **Successful IPO raises $12 million.**
- **Exploration continues to deliver results:**
  - **Wilmot (Ellen Harkins Shale) 3.45m @ 26.9 g/t**
- **Mine operations enhanced by:**
  - **recent gold price increases; and**
  - **toll treatment agreement with Norton Gold Fields Limited.**

ASX Listing

Buka Gold Limited ("the Company") was listed on ASX on 13 October and closed on its opening day with a 7% a premium for subscribers. The Company is now the 100% owner of Gympie Eldorado Mining Pty Limited ("GEM") which holds tenements covering 760 square kilometres and 100% of the known goldfield, together with the potential southerly extensions.

Exploration

Two contract drill rigs continued surface exploration activities on a range of targets with an increasing focus on the South Inglewood prospect. Over the last three months these rigs completed 4,186m of diamond drilling at the South Inglewood, Dawn, Wylly, West Phoenix, North Inglewood, Kenna and Six Mile Prospects.

Notable intercepts from drilling during the quarter, subsequent to those listed in the Company's Prospectus, are listed in the table below:

Prospect	Hole	From (m)	Interval (m)	Au (g/t)	Structure
Wilmot (Ellen Harkins Shale)	G282	105.2	3.45	26.9	Quartz vein swarm
	incl.	107.85	0.35	406	Quartz vein in Ellen Harkins Shale
		116.35	0.25	34.2	Quartz vein in Ellen Harkins Shale
Kenna	G290	163.45	0.85	20.7	Gympie Vein

1. Intervals are down-hole widths. Estimated true widths vary but are typically 40-50% of down-hole widths.
2. Halved HQ and NQ_2 core samples were analysed by 50g Fire Assay (AAS) or by Screen Fire Assay (AAS) on 1kg splits of 0.25m-0.5m samples if coarse gold was present.

South Inglewood

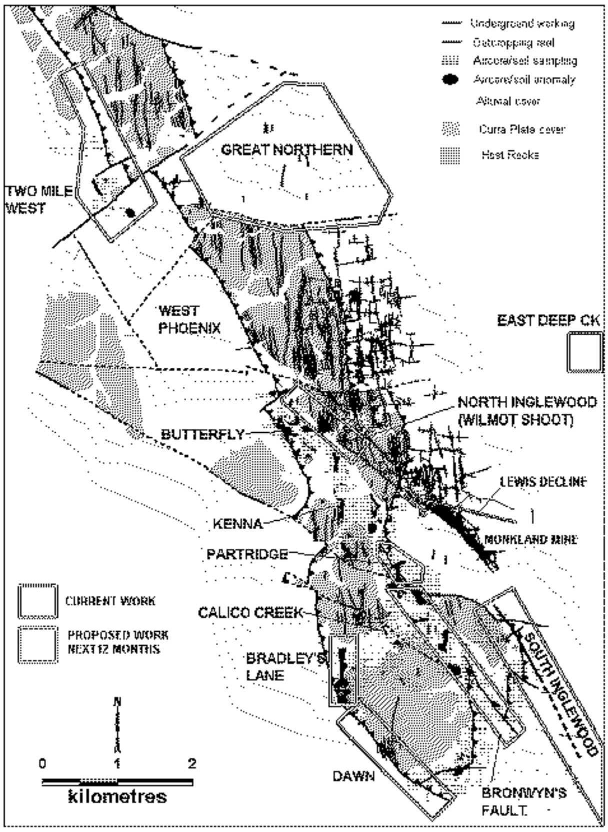
A stratigraphic hole (G294) was drilled to test the presence of the mine sequence 500m south of any previous drilling. The mine sequence was identified as being present including several prospective carbonaceous zones, with some quartz vein structures at the projected position of the Inglewood Fault. Assay results from these zones are pending.

The next programme at South Inglewood, comprising 15 holes for 6,000m, has now commenced south of existing workings. It is designed to further investigate the Peel-Off A zone located in drilling earlier this year and deeper holes to test the Inglewood Fault. This programme follows a review of the 2003 and 2004 drilling programmes which included the validation of drilling data and a reinterpretation of the mineralisation in this area.

North Inglewood (Wilmot, Ellen Harkins)

A programme of four holes was commenced at the start of October to test undrilled sections in the Inglewood Fault between the end of the Lewis Decline and Wilmot.

This will be followed by three holes designed to test the Inglewood structure immediately north of the previously mined N3 orebody near the Lewis Decline.



Kenna

Four holes have been drilled to test a Wylly / Partridge-like prospect to the north of Partridge where a previous scout hole returned 1.0m at 19.4g/t.

Assay results for the hole G290, which intersected a 1.9m wide mineralised zone, including quartz galena and some visible gold from 163m depth included an intercept of 0.85m at 20.7g/t.

Two Mile

Hole G296 tested a soil anomaly at the northern end of the Two Mile prospect. The hole intersected a substantial thickness of carbonaceous beds in the top conglomerate. Assay results are awaited.

Extension Drilling

The intersections in the Ellen Harkins shale at North Inglewood demonstrate the potential for extensions to mineralisation at the Monkland Mine and this will be further tested by drilling from the surface and underground during the fourth quarter of 2005.

Production

GEM

Gold production at Gympie Gold Mine was steady with 4,747 oz produced from 22,900t of ore during the September quarter. As all gold production is unhedged, gold production is benefiting fully from the recent increase in the A$ gold price.

Norton Gold Fields Limited

A heads of agreement has been signed with Norton Gold Fields for the toll treatment of a parcel of 3,500 tonnes of ore. It is anticipated that processing will commence in December 2005. In the event that this is of mutual benefit to both parties then it is anticipated that toll treatment of ore will take place monthly.

Competent Persons' Statement:

References to exploration results and mineralisation in relation to Gympie Eldorado were reviewed by Anthony Woodward, M.Sc BSc (Hons) Geology 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 Woodward has consented to the inclusion of the information in this announcement in the form and context in which it appears.

19 October 2005

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