BUKA GOLD LIMITED

ANNUAL REPORT 2007

CORPORATE DIRECTORY

Australian Business Number	31 112 731 638	
Country of Incorporation	Australia	
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ASX	The Company's fully paid ordinary shares are quoted on the official list of ASX. The ASX code is BKG. Certain of the Company's options, exercisable at $0.65 on or before 30 June 2008, are quoted on the official list of ASX. The ASX code is BKGO.	

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CHAIRMAN'S LETTER

Dear Shareholder

I hope I do not need to become accustomed to commenting on a rollercoaster ride over the period under review, as that is what it has been once again. At last year's Annual General Meeting, I expressed confidence that we had overcome our difficulties at Gympie and were looking forward to improved operations on the goldfield. Unfortunately, or possibly in hindsight, fortunately, that was not to be.

During the March quarter the continuing challenges of the Gympie goldfield, both in the mine and in near mine exploration, precipitated a fundamental reappraisal of our efforts and led to the decision to reduce work in the immediate vicinity of the mine and extend our regional exploration activities. Changes in management and encouragement and support for a young team led to some innovative project generation work and, very quickly, the discovery of the Mt Scotchy mineralisation. I have been asked many times why those that have covered the ground before Buka Gold had not found what we have found. I cannot answer for those who went before us but do know that our team has demonstrated that clear strategic thinking and dedicated follow-up remain the key to success in greenfields exploration.

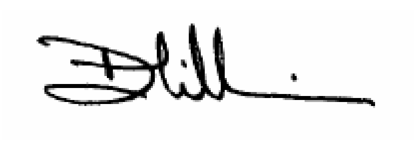
The exploration review section of this report sets out more detail in relation to the work carried out. We are cautiously optimistic, and will shortly commence first pass drilling of targets within the Mt Scotchy and Woolooga tenements. As the Mt Scotchy occurrence is a completely new style of mineralisation in this area we have an open mind on what the drilling may deliver. Exploration is a methodical game of patience.

Initial success at Mt Scotchy led to further innovative thinking and a re-examination of the underlying geology of that tenement. The interpretation was that Mt Scotchy may well be the key to unlocking the geological secrets of a broader region. As a result we have applied for a large parcel of ground covering the entire southern half of the Maryborough Basin (approximately 2,500 square kilometres) where the group hopes we may uncover repetitions of the Mt Scotchy style of mineralisation. Given a reasonable level of success, the evaluation of this large landholding is likely to be a key focus for your Company for a number of years.

We did not expect to be able to say that the Gympie mine and plant continue to operate, albeit on a small scale, some two years after the float of the Company. With good management and a significant tightening of the belt, a dedicated team continue to fund in mine exploration from production cashflow in the hope that they might just find one further medium size orebody. However, without near term success, a decision to mine on the retreat may well be necessary by the end of the calendar year.

Our second "annual" report to Shareholders covers a fifteen month period from 1 July 2006 to 30 September 2007 as a result of a change in our financial year end brought about by a change in our ultimate parent entity.

I would like to take the opportunity to thank the small team that remains at Gympie who have done some outstanding work in trying circumstances. It is a result of their efforts that Shareholders are able to look forward to the future with renewed confidence.



David Hillier
Executive Chairman

6 November 2007

EXPLORATION AND OPERATIONS REPORT

SURFACE EXPLORATION

Highlights

- Discovery of a significant new occurrence of gold-silver-base metal mineralisation at Mt Scotchy.
- Launching of a major new exploration initiative to explore for similar polymetallic occurrences in the Maryborough Basin.

Overview

Buka Gold implemented a major shift in the focus of its surface exploration activities during the year, with a new emphasis on projects located within the surrounding region and away from its Gympie mining operations. This decision was based on an analysis of the recent exploration results achieved by the Company in the Gympie goldfield, and a conclusion that the existing surface exploration drilling targets were unlikely to deliver the resource tonnages required.

The Company believes strongly that worthwhile targets remain to be tested in the goldfield, though identifying these targets is constrained by the current imperfect understanding of the geological architecture of the goldfield. For this reason the Company is proposing a hiatus in near-mine surface exploration drilling to enable the building of a new geological model of the area. This model will include all the accrued knowledge from recent drilling, using advanced modelling techniques to locate favourable structural positions likely to host significant mineralisation. These will then be tested in due course by a new phase of carefully targeted surface exploration drilling.

The new emphasis on exploration in the surrounding region has achieved immediate and outstanding success with the discovery of significant gold-silver-base metal mineralisation at Mt Scotchy, located only some 25 kilometres to the north-west of Gympie. Surface sampling, mapping and trenching at Mt Scotchy has shown that the Au-Ag-Pb-Zn-As mineralisation accompanies widespread alteration and gossan development associated with a major hydrothermal system within the Mt Scotchy sub-volcanic intrusive complex. This is regarded as a highly prospective environment for the development of economic precious and base metal deposits, and is favourably located with respect to existing infrastructure. Defining the resource potential of the Mt Scotchy discovery will be a major focus of the Company's exploration effort in the coming year.

The Mt Scotchy andesitic sub-volcanic intrusive complex is of inferred Lower Cretaceous age, intruding the Tiaro Coal Measures within the Mesozoic Maryborough Basin. The gold-base metal mineralisation at Mt Scotchy is of a 'style' previously unknown in the region, and its discovery has been the key that has unlocked a major new exploration opportunity for Buka Gold. Many sub-volcanic intrusive complexes similar to Mt Scotchy, along with coeval volcanics, occur throughout the southern half of the Maryborough Basin, and they are now recognised as highly prospective. This terrain has received little attention from previous gold and base metal explorers, with the majority of previous exploration directed at the basin's coal and oil/gas potential.

To maximise its competitive advantage arising from the Mt Scotchy discovery, the Company has nine Exploration Permits (**EPMs**) under application, with a total area of around 2,500 square kilometres. These cover those parts of the Maryborough Basin considered most prospective for polymetallic mineralisation of Mt Scotchy style, and a major new regional exploration project targeting this style of mineralisation will be initiated during the coming year.

Safety, Environment and Community Relations

Surface exploration continues to maintain an exceptional safety record, with no lost time injuries since the Company listed on ASX in October 2005. In addition, no environmental incidents or negative community relations issues have been recorded. Buka Gold works hard to maintain an exemplary record on these matters.

Tenement Details

Buka Gold's wholly-owned subsidiary, Gympie Eldorado Mining, currently holds five EPMs totalling 970 square kilometres in the Gympie region of south east Queensland (See Figure 1 and Table 1). An additional nine EPMs totalling 2,531 square kilometres in the Maryborough Basin are currently under application.

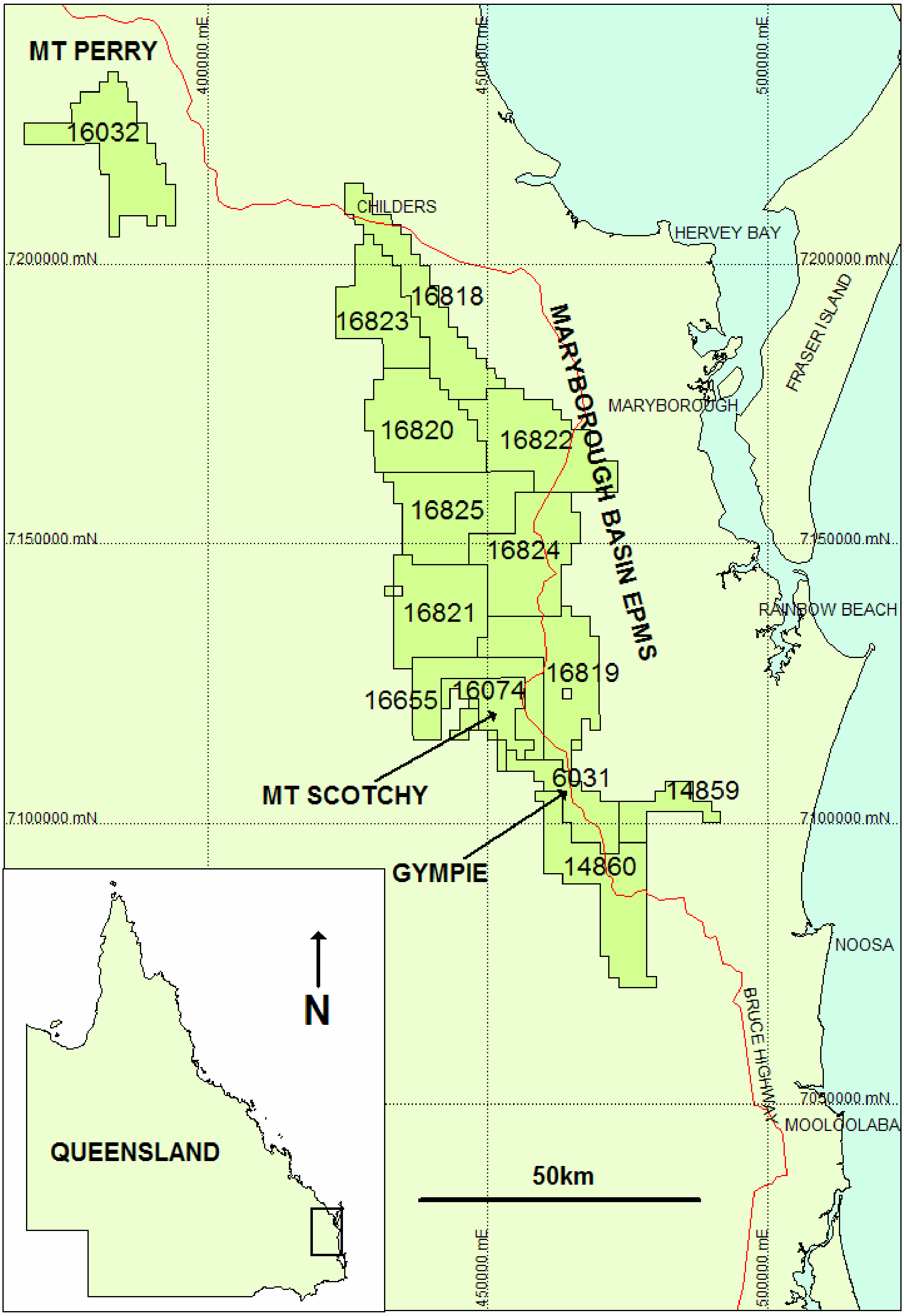


Figure 1: Exploration Tenement Holdings and Applications

Table 1: Exploration Tenement Details

EPM No.	Project Name	Sub-blocks	Date Granted	Date expires	Expenditure Requirements#
6031	Gympie Goldfield*	50	7/09/1989	6/09/2008	$700,000
14859	Gympie East	28	22/06/2005	21/06/2010	$150,000
14860	Gympie South	100	28/02/2005	27/02/2010	$150,000
16032	Mt Perry	99	29/01/2007	28/01/2012	$50,000
16074	Mt Scotchy	37	6/03/2007	5/03/2010	$50,000
16655	Mt Scotchy Extended	69	Under application		To be confirmed
16818	Maryborough Basin	83	Under application		To be confirmed
16819	Maryborough Basin	100	Under application		To be confirmed
16820	Maryborough Basin	100	Under application		To be confirmed
16821	Maryborough Basin	92	Under application		To be confirmed
16822	Maryborough Basin	100	Under application		To be confirmed
16823	Maryborough Basin	74	Under application		To be confirmed
16824	Maryborough Basin	100	Under application		To be confirmed
16825	Maryborough Basin	100	Under application		To be confirmed

*Includes Woolooga portion
#Current tenure year

EPM 16074 – Mt Scotchy

The exploration highlight for the Period was the Company's discovery of significant new gold-silver-base metal mineralisation at Mt Scotchy, only 25 kilometres north-west of Gympie. Initial drill testing is planned to start in November 2007 and evaluation of the resource potential of the discovery will be a high priority project for the coming year.

EPM 16074 was granted in March 2007 and came out of innovative project generation work by the Company, supported by a record of weakly anomalous multi-element geochemistry from previous exploration in the area in the 1980s. First pass work by Buka Gold identified strong multi-element signatures in drainage and soil samples, as well as in rock chip samples, and these results were tracked back to sub-outcropping gossans and highly altered bedrock float at a locality now referred to as the 'Discovery Trend'.

Initial surface rock chip sampling of the 'Discovery Trend' returned highly encouraging assay results. The mean assays of 40 rock chip samples from gossanous and altered sub-outcrop and bouldery float were 6.8 g/t Au, 123 g/t Ag, 2.75% Pb, 0.17% Zn, 0.04% Cu, 3.97% As and 0.07% Sb. The maximum values recorded were 28.0 g/t Au, 769 g/t Ag, 10.3% Pb, 0.7% Zn, 0.18% Cu, 11.4% As and 0.64% Sb. High Fe (up to 31.6%), Mn (> 10%) and S (up to 8.3%, as sulphate) were also recorded in places, reflecting the highly gossanous nature of the samples.

The next follow up phase consisted of systematic trenching of the 'Discovery Trend' to enable more detailed mapping and sampling. Thirteen trenches over 400 metres of the interpreted strike extent of the 'Discovery Trend' were excavated. Concurrent surface mapping and sampling progressing outwards from the trenched area identified major extensions to the gossanous and altered zones, and a picture has emerged of a substantial, structurally controlled, mineralised alteration system within the Mt Scotchy sub-volcanic intrusive complex (See Figure 2).

Trench sampling results confirmed the discovery of a significant new occurrence of Au-Ag-Pb-Zn-As mineralisation. Some notable trench assay results were as follows:

- 1.00 metre at 4.4 g/t Au, 13.1 g/t Ag and 0.8% Pb.
- 3.50 metres at 3.1 g/t Au, 153 g/t Ag and 2.9% Pb.

- 1.10 metres at 3.3 g/t Au, 49 g/t Ag, 0.3% Pb and 0.9% Zn.

Other trench samples returned anomalous values of up to 347g/t Ag, 7.5% Pb, 3.4% As, 1.8% Zn, 1.8% Zn, 0.13% Sb and 904ppm Cu. These results are lower than recorded from surface chip sampling, which is in line with the surface enrichment commonly observed in gossans developed over sulphide-rich mineralised bodies. The elevated Au-Ag-base metal values exposed in the trenches are associated with strong bleaching and clay alteration, accompanied by brecciation, veining, and gossan development with prominent boxwork textures. Figure 3 shows one of these more highly bleached and silicified mineralised alteration zones as exposed in Trench 8.

A systematic 'C' horizon soil sampling program is also in progress over the broader Mt Scotchy prospect area. Adjacent to the trenched 'Discovery Trend' this work has identified a high priority target under shallow soil cover (see Figure 2) where highly anomalous soil values were obtained. The mean of 18 samples from the target area was 0.2 g/t Au, 2.1 g/t Ag, 964 ppm Pb, 1308 ppm Zn and 0.11% As, in which maximum soil values of up to 0.9 g/t Au and 9.1 g/t Ag were obtained. Drilling is scheduled for later in 2007.

In addition, systematic surface prospecting has recently found evidence of new altered and gossanous zones around 600 to 700 metres to the northeast of the 'Discovery Trend' for future follow up, and recent probing further afield has also found evidence of early prospecting activity some 1.5 to 2 kilometres along strike from the 'Discovery Trend' (See Figure 2).

It is becoming evident that the limits of the mineralised alteration system at Mt Scotchy are not yet properly defined, as extensions and repetitions of the gossanous and altered zones continue to be located. This further highlights the significance of the discovery and increases the probability of the system hosting a substantial gold-base metal deposit.

EPMA 16655 – Mt Scotchy Extended and EPMAs 16818-16825 – Maryborough Basin Project

Buka Gold has applied for nine EPMs over the southern Maryborough Basin to take maximum advantage of the competitive edge established by the Mt Scotchy discovery. This portion of the Maryborough Basin contains many sub-volcanic intrusive complexes of similar age and character to Mt Scotchy, along with coeval volcanics. These are considered to be favourable hosts for further occurrences of gold-silver-base metal mineralisation of similar style to Mt Scotchy (See Figure 4).

The sediments and volcanics in the Mesozoic Maryborough Basin range in age from Late Triassic to Early Cretaceous and contain two sets of well developed coal measures, the Tiaro in the lower part of the basin sequence, and the Burrum in the upper part. A major volcanic episode occurred in the earliest Cretaceous, expressed as the lavas and pyroclastics of the Grahams Creek Formation, and a suite of subvolcanic intrusive complexes of similar age (such as Mt Scotchy). At Mt Scotchy this volcanic episode is associated with a mineralising event of broadly epithermal character, with a distinctive and unusual Au-Ag-Pb-Zn-As signature.

Early gold-silver-base metal exploration from the 1980s recorded anomalous gold values within the basin at several localities, but no further work was considered justified at the time. These values assume new significance following the Mt Scotchy discovery, and will be an early focus of planned exploration.

Buka Gold believes that this Maryborough Basin project represents a major new exploration opportunity for the Company. Planning is underway to commence field exploration activities early in 2008.

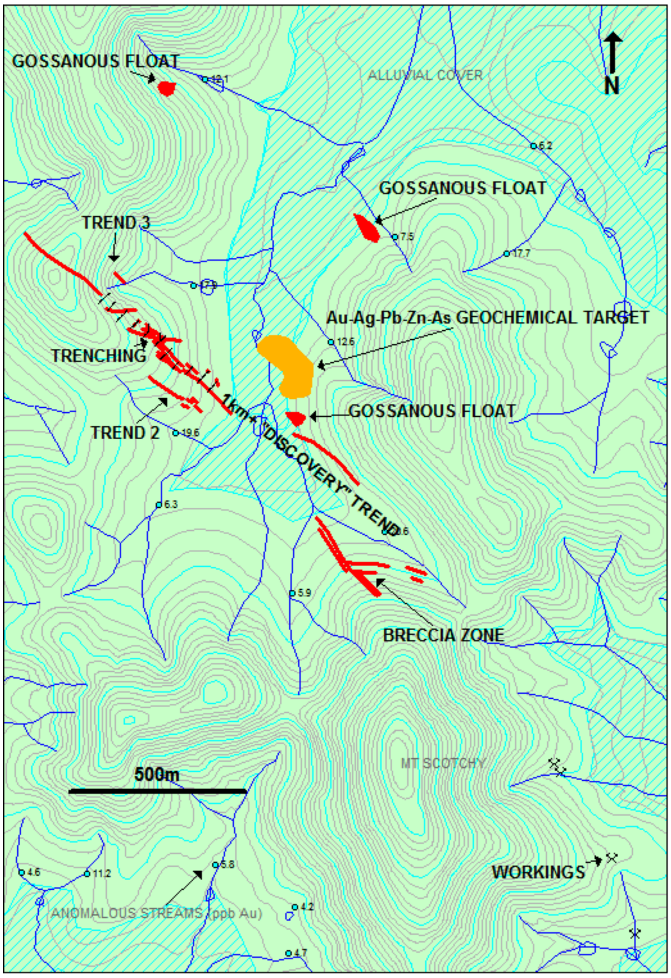


Figure 2: Mt Scotchy Project. Location of identified altered and gossanous zones, trenching, geochemical target, stream sediment results and old workings.

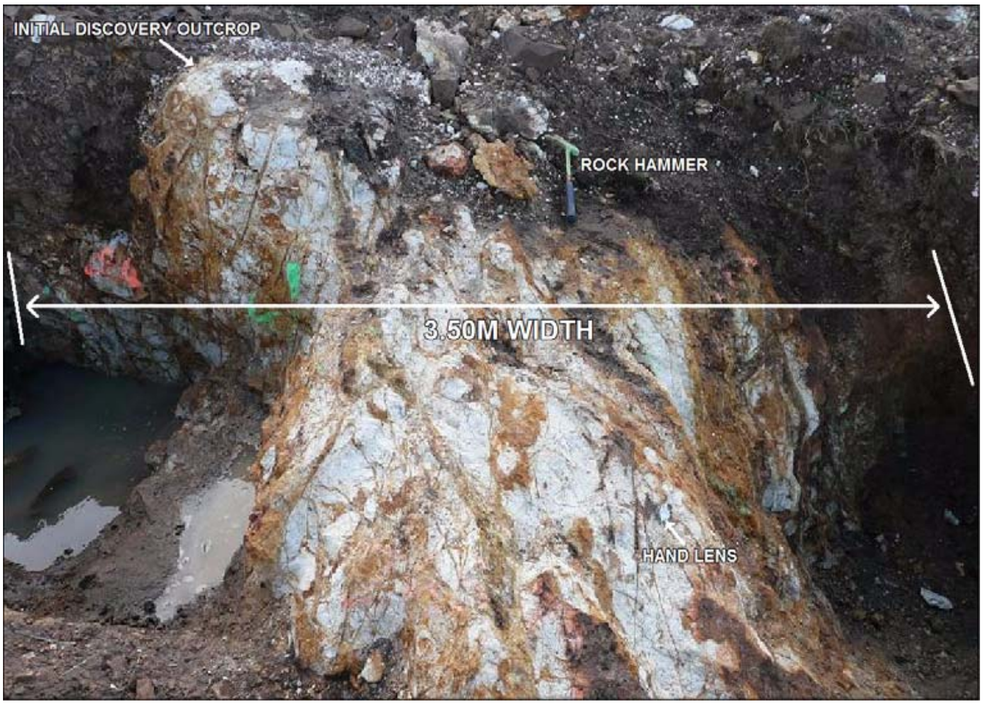


Figure 3: Altered and gossanous zone exposed in Trench 8. Assayed interval returned 3.50 metres at 3.1g/t Au, 153g/t Ag and 2.9% Pb

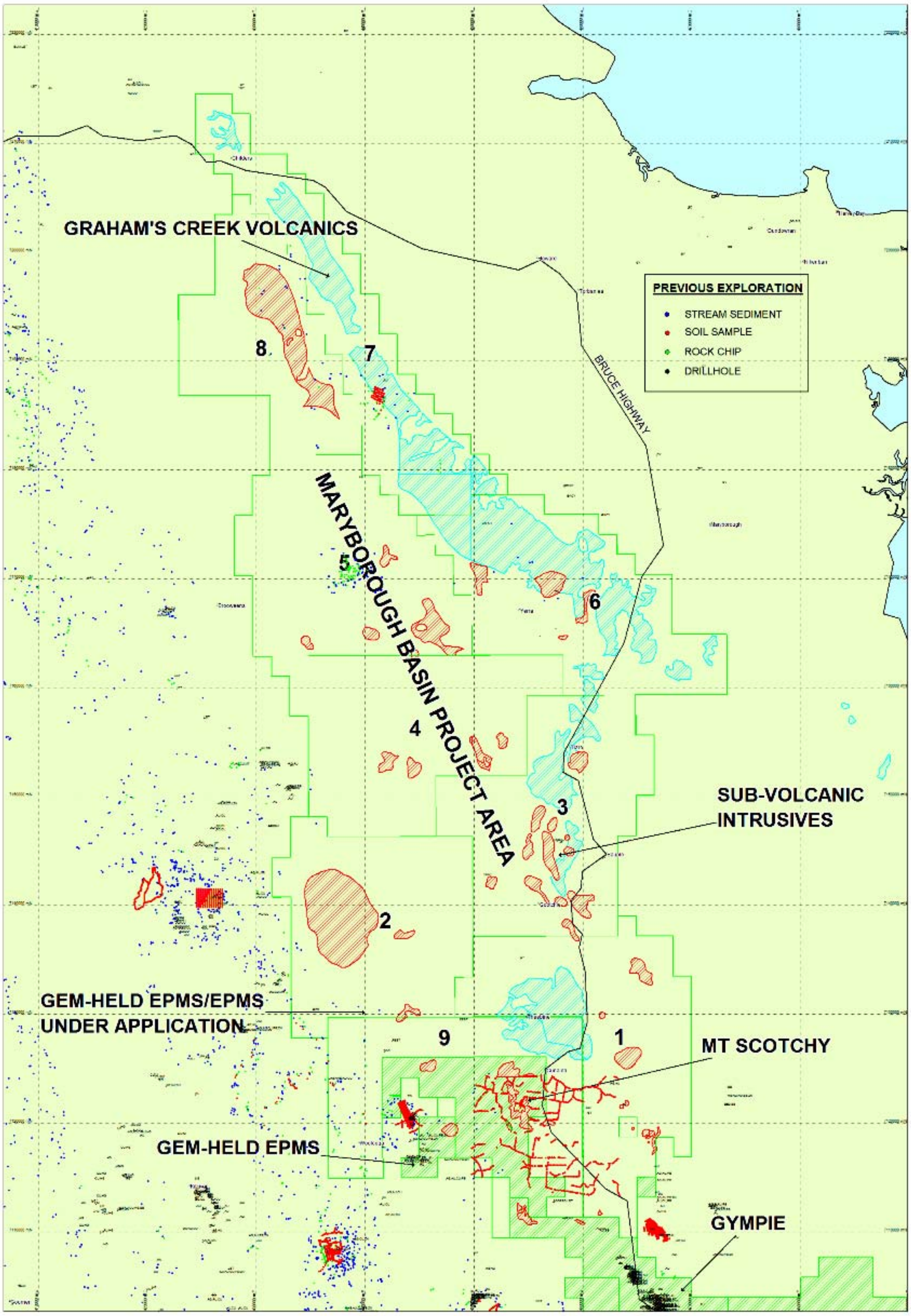


Figure 4: Maryborough Basin Exploration Project. Outline of EPM applications, previous exploration activity, and extent of volcanic and subvolcanic activity.

EPM 16032 – Mt Perry

The Mt Perry project is a further important initiative coming out of the Company's new focus on regional exploration. EPM 16032 was granted in January 2007 and is centred around 140 kilometres northwest of Gympie. The principal targets are intrusion-related gold and polymetallic mineralisation, and interpretation of available geological and geophysical data was initiated to identify some preliminary target areas. Further work was deferred following the Mt Scotchy discovery, but the project will be re-activated in the coming year to continue the project generation work and target definition.

EPM 6031 – Gympie Goldfield

Near-mine surface exploration drilling during the Period consisted of eleven diamond core holes totalling 2,381 metres and 132 aircore holes totalling 1,337 metres. Infill 'C' horizon soil sampling programs were also conducted at several localities to better define potential drilling targets. No new significant occurrences of mineralisation justifying follow up drilling were found.

This lack of success prompted the Company to review its approach to near-mine surface exploration, resulting in the calling of a temporary halt to further surface exploration drilling in the goldfield. In the coming year the Company is planning a detailed review of the geology of the goldfield and the controls on the various styles of gold mineralisation in the field. Key aspects of the planned study include:

- Structural modelling of the pre, syn and post-mineralisation architecture of the goldfield.
- Stratigraphic modelling of the distribution of favourable carbonaceous units and of lithologies susceptible to brittle fracture.
- Fluid flow/strain modelling to understand the focussing mechanisms of the gold bearing fluids.
- 3D modelling of quartz vein geometry and historic workings, combined with insights from the above work, to identify a new set of targets on which to base the launch of a new phase of surface exploration drilling.

The principal prospects within the goldfield where work was done during the Period are as follows:

Partridge

The Partridge prospect located approximately 600 metres west of the Lewis Decline on 13 Level contains around 15,000 gold ounces in Inferred Resource category (See Mineral Resources and Ore Reserves table on page 14). Delineation work required for an upgrade to Indicated category and transfer to Probable Reserves could not be justified due to an inability to demonstrate potential economic viability.

Two Mile Block

A drilling program of four diamond core holes totalling 714 metres was completed to follow up earlier positive Au and As results. A best assay result of 0.37 metres at 0.74 g/t Au was reported from 89.6metres in Hole G321, associated with a banded calcite vein. No further follow up drilling is planned.

North Inglewood/Wilmot

The North Inglewood Project is located on the Inglewood structure to the northwest of current mining activities and contains two bodies of mineralisation referred to as the Upper and Lower Wilmot shoots. Infill drilling consisting of four diamond core holes totalling 1,135 metres was completed during the Period, mainly targeting the Upper Wilmot shoot and its possible extensions. The following intersections were recorded:

Table 2: North Inglewood Project Summary Drilling Results

Hole ID	Hole Depth (m)	Significant Results
G325	324.0	0.45m at 1.05g/t Au, quartz veinlets 1.50m at 1.44g/t Au, quartz veinlets
G326	299.9	1.44m (0.99m true width) at 7.57 g/t Au.
G327	247.7	1.32m (1.05m true width) at 1.44 g/t Au
G328	263.4	0.31m (0.28m true width) at 5.81 g/t Au 0.15m(0.12m true width) at 9.04 g/t Au, Gympie vein

Results achieved were below expectations and additional planned holes were aborted. Small gold resources in Inferred category have been estimated in the Upper Wilmot (2,154 ounces) and Lower Wilmot (10,541 ounces) (See Mineral Resources and Ore Reserves table on page 14), but there is little justification for further follow up work at this time.

Butterfly

An aircore drilling program consisting of 98 holes for 856 metres was conducted to look for extensions to previous positive results from drilling of geochemical targets under alluvial cover. Results were disappointing, and planned follow up diamond drilling limited to three holes totalling 532 metres. No significant intersections were recorded, and the resource potential of the prospect has been downgraded.

West Phoenix

Aircore drilling to test below the alluvial cover along the Mary River in the West Phoenix Block located favourable carbonaceous Productive Beds with elevated Au and As values, but their limited extent and absence of quartz veining suggested the project had little resource potential.

Dawn Block

Infill aircore drilling over the Calico Creek, Bradley’s Lane and Dawn areas returned disappointing results and follow-up diamond drilling could not be justified.

EPM 6031 – Woolooga Portion

The Woolooga portion of EPM 6031 is located around 25 kilometres north-west of Gympie. A legal dispute relating to the ownership of this portion of EPM 6031 was resolved in favour of Buka Gold and a detailed review of the exploration potential of the tenement was completed during the Period. This concluded that previous exploration had identified significant gold resource potential, and a follow up exploration program was designed, directed at three high priority target areas as follows:

- RC drilling totalling 1,500 metres to test a large geochemical anomaly over the Fig Tree Dam 'porphyry' Au target.
- RC drilling totalling 500 metres to test higher grade, intrusion-related Au and polymetallic targets at Soel’s Find and Mulholland’s Breccia, adjacent to Fig Tree Dam.

Recent channel sampling of quartz veining at Soel's Find returned assay results up to 1.1 metres at 8.8g/t Au, and soil samples with up to 0.5 g/t Au were recorded at Fig Tree Dam. The RC drilling program is scheduled for December 2007.

EPM 14859 – Gympie East

A project review concluded that previous geochemical exploration and some aircore drilling were an adequate tested of much of the tenement and 70 sub-blocks rated as having little potential were relinquished.

EPM 14860 – Gympie South

Meadvale

The Meadvale Quarry is located 8 kilometres south east of the Gympie mining operations. Rock chip sampling returned assays up to 0.57% Cu, 2.23% Zn and 26.5 g/t Ag, plus anomalous Au and Bi, from a silicified and sericite-altered rhyodacitic to porphyritic intrusive exposed in the quarry wall. Two short diamond core holes were completed as an initial test. These holes intersected narrow intervals with silica alteration carrying anomalous Au, Ag, Zn, Pb, and Cu just below the hole collar, but were insufficient to justify follow up.

An unexpected result was the intersection further down both holes of zones of sheeted quartz veining up to 9 metres thick carrying molybdenite and pyrite with minor chlorite and silica alteration. The zones consist of multiple narrow quartz veinlets with a north-south strike and moderate easterly dip, and returned a best intersection of 3 metres at 0.03% Mo.

Although not considered an immediate target, quarry development will continue to be monitored for evidence of further mineralisation.

Dawn South/Great Southern

Aircore drilling in the Dawn South area returned bedrock samples from below alluvial cover interpreted as coming from Productive Bed stratigraphy. Low level geochemical anomalism was recorded but follow up drilling has been deferred pending the outcome of the review of near-mine exploration.

OPERATIONS

Overview

The Gympie operations of Buka Gold had mixed results during the Period. Performance during the September 2006 quarter was profitable, while cash costs per ounce were unacceptably high in the December 2006 and March 2007 quarters, leading to retrenchments and a change of site senior management. General mining ceased in April 2007 and all tribute mining arrangements were cancelled. Remaining ore stocks were then recovered and milled. Almost 2,000 ounces was recovered from the SAG and ball mill relines, allowing a return to profitability in the June 2007 quarter. Although milling did occur in the September 2007 quarter, this was essentially ore generated while developing diamond drilling positions. As such, cash costs for this quarter are not indicative. The mine produced 11,198 ounces for the twelve months from 40,345 tonnes, compared to 71,096 tonnes for 16,443 ounces for the previous twelve months. The figures for each quarter during the Period are set out in Table 3 below.

Table 3

Item	Sept 2006 Quarter	Dec 2006 Quarter	March 2007 Quarter	June 2007 Quarter	Total Twelve months	Sept 2007 Quarter	Total Reporting Period
Tonnes Milled	12,259	12,407	9,613	6,066	40,345	2,340	42,685
Calculated Head Grade (g/t) (No Clean up)	10.0	5.8	7.46	6.84	8.63	6.49	8.63
Ounces Produced	3,771	2,166	2,174	1,284	9,395	464	9,859
Ounces mill clean up				1,803	1,803	175	1,978
Total ounces	3,771	2,166	2,174	3,087	11,198	639	11,837
Total ounces Sold	3,397	2,435	1,799	3,488	11,119	175	11,294
Cash cost per ounce	590	945	1095	580	754	1586	799
Realised Price $A/oz	797	785	831	797	800	819	800
Total cost per ounce	718	1032	1176	613	839	2089	906

Note: Cash costs per ounce for the September 2007 quarter are unrepresentative due to incorporation of exploration development costs and consequent small mill throughput.

Environmental

Work commenced in the fourth quarter and continued into the fifth quarter on the set up of a direct planting trial on tailings dam 1, the oldest of three dams. A number of plots have been set up to determine the most successful combination of species, mulch and additives. A control using standard waste rock capping is included. This will be the first significant rehabilitation study undertaken in the life of the operation. The Gympie landcare group has been contracted to provide and plant the flora. The most suitable method will then be implemented across tailings dams 2 and 3. If successful, this trial has the ability to deliver a better environmental conclusion and at less cost than traditional capping methods.

Monkland Mine

All production for the reporting period has been undertaken using handheld mining methods. This has been in the form of shrink stopes, gallery stopes, leading stopes and slot stopes utilising electric or air scrapers. Some minor tonnes have come from stope or drill site development.

Operations for the first three quarters continued in much the same manner as that initiated in the second six months of last year. This culminated with the implementation of a consolidation strategy following the poor second and third quarter performance coupled with the failure of a number of mill liners. Stop gap measures allowed the completion of milling of most broken stocks by the end of the fourth quarter.

Organisational structure

Regrettably, two further staffing downsizes were necessary. At the end of the September 2007 quarter, the mine employed 20 personnel in all capacities. It is anticipated that this structure will stay in place, to enable underground exploration to be continued in a self funding operation.

Development

The mine completed development of three significant diamond drilling cuddies. One cuddy on 15 level was sited to allow deep drilling of the northern portion of the Inglewood lode below 18 level. The second was mined after the historic East Oriental Glanmire (**EOG**) workings were accessed and dewatered in the fourth quarter on 13 level. The third cuddy was started from the edge of the 10 level Kitchen Stope to a position below the Parlour Stope, following completion of the EOG cuddy. Visible gold was encountered in quartz stockwork veins during this development.

Development of the 12-41 stope block, consisting of two rises and a sublevel was completed, delineating this resource block and recovering a previously abandoned resource block. Similar development to set up a number of stopes in the Museum Block occurred during the year. This was generally on lode, resulting in some sterilisation of resources.

An exploratory scraper drive was mined along the assumed line of lode of the two Caldwell intersections below 18 level. These have proved to be on separate lodes. The mining has delineated a small reserve block.

Tribute miners developed access to the N3 block, in the upper portion of the decline access, at 2775 RL. Generally recovered development grades were below 5 g/t.

Hand held stoping

Hand held stoping was the only mining method utilised this year. This has generally been applied to pristine blocks, but some pillar recovery has been undertaken. Tribute mining was utilised to extract some stope blocks from 141-46 and the N3, where grade risk existed. The 141-46 returned 10 g/t while the N3 performed relatively poorly at around 6 g/t.

A number of stoping blocks scattered through the mine from 10 level to 17 level were extracted with mining on the Inglewood lode, (including the N3 and Museum blocks), O'Regans Reef, Peel off A & B, Caldwell Lode and some stockworks. Mining widths varied from 1.2 metres to over 3 metres.

Diamond drilling

The mine owns an electric LM75 rig, two air Kempes and an air bazooka drill. The current program for the LM75 continues the exploration of the EOG targets, both immediately below the historic workings and at depth. With completion of this program, 4 holes into the Museum Block are designed. The rig may then be utilised to drill areas of the Mt Scotchy prospect. The Kempe will complete drilling of the Consuls target, followed by Dundee, Nichols and EOG if required. Minor bazooka drilling is planned on 17 level.

Ore Processing

Processing of ore stocks was completed in May 2007, at which time the SAG and ball mills were relined, recovering 1,978 ounces during this process. These ounces are included in the produced figures for the

June and September 2007 quarters. The mills were ready to run again in August 2007. Milling of the material generated during exploration development was then undertaken in late September 2007.

Table 4

Item	Dec 2006 Half	June 2007 Half	June 2007 YTD	Sept 2007 Quarter	Total Reporting Period
Tonnes Milled	24,497	15,679	40,176	2,340	42,516
Calculated Head Grade (g/t)	7.95	10.80	9.06	8.81	9.05
Ounces Produced	5,937	5,261	11,198	639	11,837
Ounces Sold	5,832	5,287	11,119	175	11,294
Gold to Tails (oz)	322	181	503	24	527
Tonnes Milled	24,497	15,679	40,176	2,340	42,516
Calculated Head Grade (g/t)	7.9	10.8	9.1	8.8	9.0
Recovery (%)	95%	97%	96%	96%	96%
Cash cost per ounce	720	793	754	1586	799
Realised Price	778	813	800	819	800
Total cost per ounce	833	846	839	2089	906

Outlook

The Monkland mine will continue to operate at a reduced capacity while all accessible targets are drilled to a confidence level where the resource can be exploited or removed from inventory. Drilling is expected to be completed by the end of the March 2008 quarter. Some minor development to further define the resources may then be needed.

A Life of Mine plan will then be generated maximising all available reserves, including pillars to be recovered as levels are closed down. This will allow detailed milling, manning and closure plans to be generated, ensuring profitable mining can continue. A further review of access to Partridge and Wilmot is also planned. Equipment identified as excess to needs will be sold or hired out.

The main areas of focus for the coming year will be the Museum Block from 14-1 to 2680 RL, in the Inglewood lode, the Consuls Reef from 13 level, remnant mining and consolidation works. The consolidation works will decrease costs as ventilation and pumping can be removed as activities withdraw towards the shafts.

It is expected that the mine will be self funding during the delineation and development phase, then return to acceptable levels of profitability for the remaining Life of Mine. At current mining rates, the identified reserve should sustain operations for a minimum of twelve months.

The information in this Annual Report that relates to Exploration Results is based on information compiled by Mr Liam J Frømyhr, who is a full-time employee of Gympie Eldorado Mining Pty Ltd, and that relates to Mineral Resources or Ore Reserves is compiled by Mr Chris Boreham, who is a contractor to the Company. The information compiled by Mr Liam J Frømyhr was reviewed and verified by Dr R J Gunthorpe, a geological consultant to the Company. Dr RJ Gunthorpe and Mr Chris Boreham are Members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)". Dr RJ Gunthorpe and Mr Chris Boreham consent to the inclusion in this Annual Report of the matters based on their information in the form and context in which it appears.

MINERAL RESOURCES AND ORE RESERVES

AS AT 30 SEPTEMBER 2007

	SEPTEMBER 2007		
MEASURED RESOURCE	Tonnes	Grade g/t	Gold ozs
Inglewood	5,690	9.9	1,811
Subtotal Measured Resource	**5,690**	**9.9**	**1,811**
INDICATED RESOURCE	Tonnes	Grade g/t	Gold ozs
Inglewood	21,400	9.9	6,811
Broken Stocks	1,100	4.0	141
Subtotal Indicated Resource	**22,500**	**9.6**	**6,953**
INFERRED RESOURCE	Tonnes	Grade g/t	Gold ozs
Inglewood	33,900	8.8	9,591
Slots	2,000	10	643
Oriental Consols	2,600	11.7	978
Subtotal Inferred Resource Monkland	**38,500**	**9.1**	**11,212**
Partridge	21,500	21.7	15,000
Lower Wilmot	41,500	7.9	10,541
Upper Wilmot	10,000	6.7	2,154
Subtotal Inferred Resource near mine	**73,000**	**11.8**	**27,695**
Subtotal Inferred Resource	**111,500**	**10.9**	**38,907**
TOTAL RESOURCE (Monkland)	**66,690**	**9.3**	**19,976**
TOTAL RESOURCE	**139,690**	**10.6**	**47,671**
PROVED ORE RESERVE	Tonnes	Grade g/t	Gold ozs
Inglewood	15,900	9.1	4,629
Stockworks			
Broken Stocks	1,000	4.0	129
Subtotal Proved Reserve	**16,900**	**8.8**	**4,758**
PROBABLE ORE RESERVE	Tonnes	Grade g/t	Gold ozs
Inglewood	3,800	6.2	756
Slots	500	8.0	129
Stockworks	1,200	6.0	231
Subtotal Probable Reserve	**5,499**	**6.3**	**1,116**
TOTAL ORE RESERVE	**22,400**	**8.2**	**5,874**

Note 1: Partridge and Wilmot require significant expense to access from the current mine workings
Note 2: Total Resource includes all Measured, Indicated and Inferred Resources both in mine and near mine
Note 3: Resources converted to Reserves have been excluded from Total Resource (Monkland)

DIRECTORS' REPORT

The directors of Buka Gold present their report for the period 1 July 2006 to 30 September 2007. In late 2006 Buka Gold changed its financial year end from 30 June to 30 September pursuant to ASIC Class Order 98/96 so as to coincide with its then ultimate holding company, Scarborough Minerals plc, a company incorporated and registered in England and Wales with a financial year end of 30 September. In July 2007 Scarborough Minerals plc merged with Mineral Securities Limited and the ultimate holding company of Buka Gold is now Mineral Securities Limited, a company incorporated in the British Virgin Islands with a financial year end of 30 September.

Directors

The names and details of the Company's directors in office during the Period and until the date of this Report are as follows. All three directors were in office for the entire Period.

David Hillier, FCA, MAICD, Executive Chairman

David Hillier has more than 30 years experience in commercial aspects of the resources industry. Between 1989 and 2002, Mr Hillier held a range of senior executive positions in the Normandy Mining Limited Group of companies and was Chief Financial Officer of Normandy for six of these years. He has served as Chairman of Normandy Mt Leyshon Limited and as a director of a number of public companies. Mr Hillier is a chartered accountant.

John Richards, B Econ (Hons), Non-executive Director

John Richards is currently the Chief Strategic Officer of Mineral Securities Limited, the major Shareholder of the Company through Buka Minerals Pty Limited. He has more than 20 years' resources industry experience in Australia and Europe, including 11 years at Normandy Mining, ending as Group Executive of Strategy and Business Development. He was Head of Standard Bank's Mining & Metals Advisory business in the Asia-Pacific region until February 2004 when he was appointed Managing Director of Buka Minerals Limited (now Buka Minerals Pty Limited). In the three years immediately prior to 30 September 2007 Mr Richards held the following directorships of other listed companies for the following periods:

- Managing Director, Buka Minerals Limited from 26 February 2004 to 19 April 2006; and
- Executive Director, Scarborough Minerals plc from 19 April 2006 to 19 July 2007.

Paul Dowd, B Sc (Eng), Non-executive Director

Paul Dowd, Principal of PJ Dowd & Associates, was until recently, Vice President of Newmont Mining Corporation's Australian and New Zealand Operations and Managing Director of Newmont Australia Limited. He is currently Chairman of the SA Mineral Resources & Heavy Engineering Skills Centre, Chairman of the Resources Sector Infrastructure Council of South Australia, Council Member of the PB Australia Pacific Advisory Board, a non-executive director of Adelaide Resources Ltd, Managing Director of Phoenix Copper Limited and a non-executive director of Regis Resources NL. Mr Dowd is also a board member of the Sustainable Minerals Institute, the University of Queensland and the University of Nevada in Reno, where he helped develop a course in risk management. In the three years immediately prior to 30 September 2007 Mr Dowd held the following directorships of other listed companies for the following periods:

- President, Newmont Australia Investment Limited from 1 January 2005 to 30 April 2006;
- Director, Newmont Australia Holdings Pty Limited from 1 January 2005 to 30 April 2006;
- Managing Director, Newmont Australia Limited from 1 January 2005 to 30 April 2006;
- Vice President, Australian and New Zealand Operations, Newmont Mining Corporation from 1 January 2005 to 30 April 2006;
- Non-executive Director, Adelaide Resources Ltd from 14 August 2006 to 30 September 2007; and
- Non-executive Director, Regis Resources NL from 31 July 2006 to 30 September 2007.

DIRECTORS' REPORT (cont'd)

Company Secretary

Peta Marshman, LLB with honours, B Econ

Peta Marshman joined the Company in March 2006 as an Analyst after spending two and a half years practicing as a Solicitor with Turner Freeman Lawyers. She was appointed Company Secretary on 1 June 2006. In March 2007 Mrs Marshman accepted a Solicitor position with Watsons Lawyers and has not been employed by the Company since 30 March 2007. She has, however, continued in her role as Company Secretary.

Interests in the Shares and Options of the Company and its Related Body Corporate

As at the date of this Report, the interests of the directors in the shares and options of the Company and its ultimate holding company, Mineral Securities Limited, are as follows:

David Hillier

David Hillier has an indirect interest in the following Buka Gold securities:

- 1,500,000 Shares;
- 500,000 unquoted Options exercisable at $0.50 and expiring on 27 September 2010;
- 500,000 unquoted Options exercisable at $0.32 and expiring on 1 October 2010;
- 500,000 unquoted Options exercisable at $0.42 not before 1 October 2008 and expiring on 1 October 2010; and
- 60,000 quoted Options exercisable at $0.65 on or before 30 June 2008.

Mr Hillier holds an indirect interest in 42,400 CHESS Depository Interests (CDIs) in Mineral Securities Limited.

John Richards

John Richards does not presently have any interests in Buka Gold securities.

John Richards holds:

- 385,383 fully paid ordinary shares in Mineral Securities Limited.
- 226,000 Class D options in Mineral Securities Limited with an exercise price of 63.0 pence expiring on 30 September 2012.

Paul Dowd

Paul Dowd does not presently have any interests in Buka Gold securities or Mineral Securities Limited securities.

Dividends and Distributions

No dividends or distributions were paid to members during the Period and none were recommended or declared for payment.

Principal Activities

The principal activities of the Group during the Period were exploration and development of the Gympie goldfield and regional exploration from the Gympie base. The only significant change in the principal activities of the Group during the Period was the expansion of the regional exploration effort.

Review of Operations

A review of the Group's operations during the Period is presented in the Exploration and Operations Report included in this Annual Report.

DIRECTORS' REPORT (cont'd)

Significant Changes in the State Of Affairs

Significant changes in the state of affairs of the Group during the Period were as follows:

- On 4 October 2006 following Shareholder approval the Company issued 1,000,000 Options with an expiry date of 1 October 2010 to the Executive Chairman. Half of the Options are exercisable at $0.42 not before 1 October 2008. The other half are currently exercisable at $0.32.
- EPM 16032 and EPM 16074 were granted during the March quarter.
- Gympie Eldorado Mining ceased general mining in April 2007.
- Gympie Eldorado Mining applied for 9 Exploration Permits covering 2,531 square kilometres of prospective terrain in the Maryborough Basin during the September 2007 quarter.

Significant Events Subsequent to Balance Date

There have been no matters or circumstances that have arisen since 30 September 2007 that have significantly affected or may significantly affect:

- the Company's operations in future financial years;
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Likely Developments and Expected Results

The Company expects to step up the regional exploration effort, particularly on the Mt Scotchy tenements, and to expand the activity to the Maryborough Basin project if the Exploration Permits applied for are granted. Small scale remnant mining in the Monkland mine will continue only whilst those operations are self-funding.

Environment Regulation and Performance

The Company continues to meet all environmental obligations across its tenements. No reportable incidents occurred during the Period.

Options

During the Period and to the date of this Directors' Report, the Company granted 500,000 unquoted Options exercisable at $0.32 and expiring on 1 October 2010 and 500,000 unquoted Options exercisable at $0.42 not before 1 October 2008 and expiring on 1 October 2010 to David Hillier in accordance with Shareholder approval obtained at the Company's annual general meeting on 29 September 2006. The Company also granted 250,000 unquoted Options exercisable at $0.32 not before 1 October 2008 and not after 1 October 2010 to five employees of Gympie Eldorado Mining.

As at the date of this Report, the Company has on issue 12,000,001 quoted Options exercisable at $0.65 on or before 30 June 2008 and 1,750,000 unquoted Options (500,000 exercisable at $0.50 and expiring on 27 September 2010, 500,000 exercisable at $0.32 and expiring on 1 October 2010, 250,000 exercisable at $0.32 not before 1 October 2008 and which expire on 1 October 2010 and 500,000 exercisable at $0.42 not before 1 October 2008 and which expire on 1 October 2010).

No Shares have been issued during or since the end of the Period as a result of the exercise of an Option.

Option holders do not have any right, by virtue of the Option, to participate in new issues of Shares offered to Shareholders.

Indemnification and Insurance of Directors and Officers

During the Period under review, the Company had in place and paid premiums for insurance policies indemnifying Directors and officers of the Company against certain liabilities incurred in the conduct of business or in the discharge of their duties as Directors or officers. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premium paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

DIRECTORS' REPORT (cont'd)

Functions of the Board and Senior Executives

The Board is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the Shareholders by whom they are elected and to whom they are accountable. It is the Board's responsibility in all decisions to conscientiously weigh the interests of all Shareholders in light of the circumstances to consider the effect of such decision on the interests of all Shareholders.

The Board is responsible for:

- oversight of the Company, including its control and accountability systems;
- appointment or removal of the Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- identification of significant areas of potential business and legal risk;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

The non-executive Directors do not have responsibility for the day-to-day management of the Company, which is delegated to the Executive Chairman.

Review of Performance of Senior Executives and the Board

The performance of the Executive Chairman is monitored by the non-executive Directors and the Company's major Shareholder, Mineral Securities Limited. A formal performance review of the Executive Chairman did not occur during the Period.

Other than the Executive Chairman, Buka Gold does not have any senior executives. Gympie Eldorado Mining does not have any senior executives.

There is currently no formal process for performance evaluation of the Board or individual directors. No formal performance evaluation of the Board, the Audit Committee or individual Directors took place during the Period.

The Directors stand for re-election by Shareholders in accordance with the requirements of the Company's constitution and the ASX Listing Rules (i.e. on a 3 year rotational basis).

Remuneration Report

This Report outlines the remuneration arrangements in place for directors and executives of the Company and its wholly owned subsidiary, Gympie Eldorado Mining.

Remuneration Philosophy

The performance of the Company and Gympie Eldorado Mining depend on the quality of the Group's directors and executives and therefore the Company must attract, motivate and retain appropriately qualified industry personnel.

The Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract and retain high calibre executives; and
- link executive rewards to Shareholder value.

DIRECTORS' REPORT (cont'd)

Remuneration Policy

During the Period, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the non-executive Directors and the Executive Chairman. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The remuneration of non-executive Directors is not dependent on the satisfaction of a performance condition. The only part of the Executive Chairman's remuneration that is dependent on the satisfaction of a performance condition is the issue of bonus Shares for nil consideration to be awarded once the 30 day volume weighted average sale price for Shares reaches certain levels, as described below.

Non-Executive Director Remuneration

The Board seeks to set remuneration of non-executive Directors at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

Paul Dowd is entitled to receive $40,000 per annum. In addition, he receives reimbursement of reasonable expenses for attendance at meetings.

John Richards does not receive any remuneration from the Company because he is an employee of Mineral Securities Limited, the ultimate parent entity of Buka Gold, and is remunerated by that company.

Summary details of remuneration for non-executive Directors are given in the table below. Their remuneration is not dependent on the satisfaction of a performance condition. Further details of the non-executive Directors' remuneration and Option holdings for the Period are detailed in Note 23 to the financial statements.

Executive Chairman Remuneration

There has been no change to the employment terms for the Executive Chairman during the Period or since he was first employed.

The Company aims to reward the Executive Chairman with a level and mix of remuneration commensurate with his position and responsibilities within the Company to:

- align the interests of the Executive Chairman with those of Shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The Company has entered into an employment contract with the Executive Chairman. The employment contract has no term and requires that other than in the case of dismissal for misconduct, either party give 8 weeks written notice prior to termination.

Summary details of remuneration for David Hillier, Executive Chairman, are given in the table below. The only part of his remuneration that is dependent on the satisfaction of a performance condition is the issue of a bonus of the following numbers of Shares for nil consideration to be awarded once the 30 day volume weighted average sale price for Shares reaches the following levels:

- 40c: 200,000 Shares
- 50c: 300,000 Shares
- 60c: 500,000 Shares

DIRECTORS' REPORT (cont'd)

The right to these Shares expires, to the extent they have not been issued, on 31 December 2007. If there is a consolidation or subdivision of Buka Gold's Share capital the benchmark volume weighted average Share prices shown above will be adjusted in inverse proportion to the consolidation or subdivision. The non-executive Directors consider that this bonus is part of a reasonable remuneration package for the Executive Chairman given the circumstances of the Company and Mr Hillier including the responsibilities involved in his position as Executive Chairman. The bonus is part of an incentive package for the Executive Chairman designed to encourage and incentivise the achievement of the Company's objective of creating Shareholder value through the socially responsible acquisition, development and management of gold assets. Shareholders approved and authorised the issue of these bonus Shares at the Company's annual general meeting on 29 September 2006.

As the 30 day volume weighted average sale price for Shares has not reached 40 cents the Executive Chairman has not as at the date of this Report received any bonus Shares. Any of these Shares to which the Executive Chairman becomes entitled will be issued promptly after the relevant volume weighted average price benchmark is satisfied and in any event by no later than 31 December 2007.

Further details of the Executive Chairman's remuneration, Option holdings and Share holdings for the Period are detailed in Notes 23 and 24 to the financial statements.

Company Secretary Remuneration

Until 30 March 2007 the Company Secretary worked three days per week. Her total remuneration for the period 1 July 2006 to 30 March 2007 was $42,868 including superannuation. Since that date she has not been employed by the Company. During the period 1 April 2007 to 30 September 2007 the Company paid Watsons Lawyers $10,695 (excluding GST) for her services. The Company Secretary does not hold any Options or Shares.

Director of Gympie Eldorado Mining Remuneration

Details of remuneration for Jason Keily, a former director of Gympie Eldorado Mining and former General Manager of the mine, for the Period are given below. Jason Keily has not been employed by, or a director of, Gympie Eldorado Mining since 17 April 2007.

David Hillier has been the sole director of Gympie Eldorado Mining since 17 April 2007. He does not receive any remuneration from Gympie Eldorado Mining.

Compensation of Key Management Personnel (15 months ended 30 September 2007)

Consolidated	**Short-Term**	**Post-Employment**	**Share-based Payment**	**Total**	**% Performance related**
30 September 2007	Salary & Fees	Superannuation	Options		
Directors					
D Hillier (Executive Director)	343,750	15,968	84,988	444,706	19.11
J Richards (Non-executive Director)	-	-	-	-	-
P Dowd (Non-executive Director)	49,755	2,752	-	52,507	-
Other Key Management Personnel					
J Keily *	169,622	18,889	-	188,511	-
	563,127	37,609	84,988	685,724	

* resigned on 17 April 2007

DIRECTORS' REPORT (cont'd)

Consolidated 30 June 2006	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Options	**Total**	**% Performance related**
Directors					
D Hillier	102,252	4,999	14,970	122,221	12.25
M Hulmes #	116,561	4,669	-	121,230	-
J Richards	-	-	-	-	-
P Dowd	-	-	-	-	-
Executives					
J Keily	105,384	6,536	-	111,920	-
	324,197	16,204	14,970	355,371	

resigned on 1 June 2006

Company 30 September 2007	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Options	**Total**	**% Performance related**
Directors					
D Hillier	343,750	15,968	84,988	444,706	19.11
J Richards	-	-	-	-	-
P Dowd	49,755	2,752	-	52,507	-
	393,505	18,720	84,988	497,213	

Company 30 June 2006	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Options	**Total**	**% Performance related**
Directors					
D Hillier	102,252	4,999	14,970	122,221	-
M Hulmes #	116,561	4,669	-	121,230	-
J Richards	-	-	-	-	-
P Dowd	-	-	-	-	-
	218,813	9,668	14,970	243,451	

resigned on 1 June 2006

DIRECTORS' REPORT (cont'd)

Option holdings of Key Management Personnel

30 September 2007	Balance at 1 July 2006	Granted during period *	Balance at 30 September 2007	Exercisable	Not Exercisable
Director					
D Hillier	560,000	1,000,000	1,560,000	560,000	1,000,000

30 June 2006	Balance at 1 February 2005	Issued on IPO	Granted during period	Balance at 30 June 2006	Exercisable	Not Exercisable
Director						
D Hillier	-	60,000	500,000	560,000	60,000	500,000
M Hulmes #	-	-	1,000,000	-	-	-
	-	60,000	1,500,000	560,000	60,000	500,000

Mr Hulmes resigned as a Director on 1 June 2006 and these Options have been forfeited.

* The details relating to the equity-settled Options are disclosed in Note 24 to the financial statements.

No other key management personnel have an interest in Options.

Options granted as part of remuneration

	Value of options granted during the period	Value of options exercised during the year	Value of options lapsed during the period	Total value of options granted, exercised and lapsed during the period	% Remuneration consisting of options for the period
D Hillier	40,770	-	-	40,770	10.18

The fair value of the equity-settled Options granted is estimated as at the date of grant using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the period ended 30 September 2007 and 30 June 2006:

30 September 2007	Director's Options		Employee Options
	500,000 options	500,000 options	250,000 options
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	80	80	145
Risk free interest rate (%)	5.71	5.71	6.57
Exercise price ($)	0.32	0.42	0.32
Marketability discount (%)	40	40	40
Expected life of option (years):	3	2	3
Assumed share price at grant date ($)	0.16	0.16	0.34
Value of option ($)	0.044	0.038	0.168

DIRECTORS' REPORT (cont'd)

30 June 2006	Director's Options 500,000 options
Dividend yield (%)	Nil
Expected volatility (%)	40
Risk free interest rate (%)	5.39
Exercise price ($)	0.50
Marketability discount (%)	40
Expected life of option (years):	3
Assumed share price at grant date ($)	0.50

Directors' attendance at Meetings

Twelve Board meetings and two Audit Committee meetings were held during the Period. All three Directors attended all of these meetings. David Hillier attended the Audit Committee meetings by invitation.

Audit Committee

The Audit Committee comprises a minimum of two members, both of whom are preferably non-executive Directors. The Audit Committee currently comprises Paul Dowd and John Richards. The Audit Committee's charter is to assist the Board in the discharge of its responsibilities in respect of the Company's financial status, reporting and internal systems of control over the business process. The principal functions of this Committee are to review issues of compliance in the Company's financial reporting, the effectiveness of its internal control systems, its external auditing and management's response to evaluations by the external auditors, and to make recommendations to the Board.

Rounding

The amounts contained in this Report and in the financial statements have been rounded off under the option available to the Company under ASIC class order 98/100. The Company is an entity to which the class order applies. Amounts have been rounded to the nearest thousand dollars unless otherwise indicated.

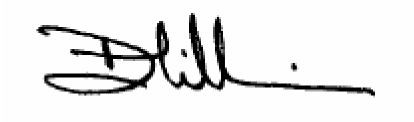
Auditors' Independence Declaration

Section 307C of the Corporations Act 2001 (Cth) requires the Company's auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration for the Period is set out on page 26 and forms part of this Directors' Report. The Directors are satisfied with the independence of the auditors.

Non-Audit Services

No non-audit services were provided to the Group by the Group's auditor, Ernst & Young, during the Period.

Signed on 6 November 2007 in accordance with a resolution of the Board.



David Hillier
Executive Chairman

CORPORATE GOVERNANCE STATEMENT

The Board has adopted a Corporate Governance Charter, which is available on the Company's website. The Company's corporate governance principles and policies are structured with reference to the ASX Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 4.10.3, this Corporate Governance Statement discloses the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council (**Council**) by detailing the recommendations that have not been adopted by the Company and the reasons why they have not been adopted. With the exception of the departures from the Council's recommendations detailed below, the corporate governance practices of Buka Gold were compliant with the Council's recommendations throughout the Period.

The names, term of office, skills, experience and expertise of the directors of the Company in office at the date of this Annual Report are set out at the beginning of the Directors' Report.

Management has reported to the Board as to the effectiveness of the Company's management of its material business risks.

The Board has received assurance from the Executive Chairman that the declaration provided in accordance with section 295A of the Corporations Act 2001 (Cth) is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board – Recommendations 2.1, 2.2 and 2.3

Recommendation 2.1 states that a majority of the board should be independent directors. In addition, Recommendation 2.2 states that the chair should be an independent director. The Council defines an independent director as a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. In accordance with this definition, the following Directors are not considered to be independent:

Name	**Position**
David Hillier	Executive Chairman
John Richards	Non-executive Director

David Hillier is not considered to be independent when applying the Council's definition of independence by virtue of the fact that he is an executive. John Richards is not considered to be independent when applying the Council's definition of independence by virtue of the fact that until 19 July 2007 he was an executive director of Scarborough Minerals plc, which was the ultimate holding company of Buka Gold until July 2007, and is Chief Strategic Officer of Mineral Securities Limited, the current ultimate holding company of Buka Gold. The majority of the board is therefore not independent.

Buka Gold considers industry experience and specific expertise to be important attributes of its Board members. The Board is conscious of the need for independence and ensures that Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Board meeting which considers those transactions or potential transactions and do not discuss those transactions or potential transactions with other directors.

Recommendation 2.3 states that the roles of chair and chief executive officer should not be exercised by the same individual. However, Mr Hillier has been appointed to this position as he has considerable industry experience which is important in providing strategic guidance and oversight of the Company. The matter of a non-executive chair is regularly reviewed and will be addressed at the time of any corporate merger or acquisition activity.

For the purposes of the proper performance of their duties, Directors are entitled to seek independent professional advice at Buka Gold's expense in certain circumstances.

Nomination Committee - Recommendation 2.4

Recommendation 2.4 states that the board should establish a nomination committee. During the Period Buka Gold did not have a separately established nomination committee. However, responsibilities of the Board include the duties and responsibilities typically delegated to such a committee and given the size of the Company the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee. In addition, nomination of directors is subject to review by the board of the Company's majority Shareholder, Mineral Securities Limited.

Audit Committee – Recommendation 4.2

Recommendation 4.2 states that the audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the board; and
- has at least three members.

During the Period the Audit Committee consisted of Paul Dowd and John Richards. John Richards is a non-executive Director but is not independent. Paul Dowd is chair of the Audit Committee and is an independent, non-executive Director. During the Period the Audit Committee therefore consisted of only non-executive Directors and was chaired by an independent chair, who is not chair of the Board. However it did not consist of a majority of independent Directors nor did it have at least three members.

Buka Gold's Corporate Governance Charter states that where the Board comprises only three members the Audit Committee will consist of two non-executive Directors. Given the size and composition of the Board and of the Group's current activities, the proposed composition of at least two members is considered sufficient to meet the responsibilities of the Audit Committee.

The number of Audit Committee meetings held during the Period and the names and qualifications of the attendees are detailed in the Directors' Report on pages 23 and 15 respectively.

The Audit Committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process to ensure compliance with statutory and accounting standards;
- review the annual and half-year financial reports and recommend them for approval by the Board;
- review and make recommendations to the Board regarding the appointment or dismissal of external auditors;
- review the performance of the external auditors and existing audit arrangements;
- oversee the processes used by management to ensure compliance with laws, regulations and other statutory or professional requirements; and
- review annually the requirement for an internal audit function.

Remuneration Committee – Recommendation 8.1

Recommendation 8.1 states that the Board should establish a remuneration committee. Given its size, the Company did not have a separately established remuneration committee during the Period. The Board is responsible for determining and reviewing remuneration arrangements for the non-executive Directors, Executive Chairman and any senior executives of Gympie Eldorado Mining. The Board assesses the appropriateness of the nature and amount of remuneration of such Directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from retention of a high quality board and executive team. Directors and executives are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

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Auditor's Independence Declaration to the Directors of Buka Gold Limited

In relation to our audit of the financial report of Buka Gold Limited for the financial period ended 30 September 2007, 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

Gary Daniels
Partner

6 November 2007

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2006 TO

30 SEPTEMBER 2007

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INCOME STATEMENT
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

	Notes	Consolidated		Parent	
		2007 $'000	2006 $'000	2007 $'000	2006 $'000
Revenue					
Sale of goods		9,314	8,600	-	-
Cost of sales (excluding impairment)		(9,540)	(7,831)	-	-
Gross profit		(226)	769	-	-
Finance income	4(d)	354	257	354	257
Other income	4(a)	182	54	1	-
Administrative expenses		(1,006)	(703)	(1,006)	(703)
Other expenses	4(b)	(1,626)	(1,759)	-	-
Write-down of impaired assets	4(c)	(1,311)	(13,228)	(3,041)	(14,207)
Loss before tax and finance costs		(3,633)	(14,610)	(3,692)	(14,653)
Finance costs	4(d)	(59)	(43)	-	-
Loss before income tax		(3,692)	(14,653)	(3,692)	(14,653)
Income tax expense	5	-	-	-	-
Loss after tax		(3,692)	(14,653)	(3,692)	(14,653)
Loss attributable to members of the parent	6	(3,692)	(14,653)	(3,692)	(14,653)
Earnings per share (cents per share)	6				
- basic loss for the period		(6.40)	(48.93)		
- diluted loss for the period		(6.40)	(48.93)		
- dividends per share		-	-		

The comparatives cover the period 1 February 2005 to 30 June 2006.

BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	Notes	Consolidated		Parent	
		2007 $'000	2006 $'000	2007 $'000	2006 $'000
ASSETS					
Current Assets					
Cash and cash equivalents	7	3,067	7,104	2,900	6,446
Trade and other receivables	8	105	634	41	101
Inventories	9	294	704	-	-
Prepayments		124	16	9	16
Total Current Assets		3,590	8,458	2,950	6,563
Non-Current Assets					
Exploration, evaluation and development costs	10	6,534	5,679	-	-
Property, plant and equipment	11	1,858	2,730	-	-
Other receivables	8	-	-	6,479	6,433
Total Non-Current Assets		8,392	8,409	6,479	6,433
TOTAL ASSETS		11,982	16,867	9,429	12,996
LIABILITIES					
Current Liabilities					
Trade and other payables	12	566	945	84	61
Interest-bearing loans and borrowings	13	28	425	-	-
Provisions	14	677	823	26	9
Total Current Liabilities		1,271	2,193	110	70
Non-Current Liabilities					
Interest-bearing loans and borrowings	13	24	94	-	-
Provisions	14	1,368	1,654	-	-
Total Non-Current Liabilities		1,392	1,748	-	-
TOTAL LIABILITIES		2,663	3,941	110	70
NET ASSETS		9,319	12,926	9,319	12,926
EQUITY					
Contributed equity	15	27,564	27,564	27,564	27,564
Accumulated losses	16	(18,345)	(14,653)	(18,345)	(14,653)
Reserves	16	100	15	100	15
TOTAL EQUITY		9,319	12,926	9,319	12,926

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

Consolidated	Fully paid ordinary shares	Equity-settled employee benefits reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 February 2005				
Shares issued	28,865	-	-	28,865
Costs of shares issued	(1,301)	-	-	(1,301)
Loss for the period	-	-	(14,653)	(14,653)
Recognition of share-based payments	-	15	-	15
Balance at 30 June 2006	27,564	15	(14,653)	12,926
Balance at 1 July 2006	27,564	15	(14,653)	12,926
Loss for the period	-	-	(3,692)	(3,692)
Recognition of share-based payments	-	85	-	85
Balance at 30 September 2007	27,564	100	(18,345)	9,319

Parent	Fully paid ordinary shares	Equity-settled employee benefits reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 February 2005				
Shares issued	28,865	-	-	28,865
Costs of shares issued	(1,301)	-	-	(1,301)
Loss for the period	-	-	(14,653)	(14,653)
Recognition of share-based payments	-	15	-	15
Balance at 30 June 2006	27,564	15	(14,653)	12,926
Balance at 1 July 2006	27,564	15	(14,653)	12,926
Loss for the period	-	-	(3,692)	(3,692)
Recognition of share-based payments	-	85	-	85
Balance at 30 September 2007	27,564	100	(18,345)	9,319

CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

	Notes	Consolidated		Parent	
		2007 $'000	2006 $'000	2007 $'000	2006 $'000
Cash flows from operating activities					
Receipts from customers		9,907	8,455	-	-
Payments to suppliers and employees		(11,467)	(9,202)	(898)	(637)
Interest received		440	171	439	171
Interest and other costs of finance paid		(59)	(43)	-	-
Net cash flows used in operating activities	7	(1,179)	(619)	(459)	(466)
Cash flows from investing activities					
Proceeds from sale of plant & equipment		289	2	-	-
Purchase of property, plant and equipment		(285)	(163)	-	-
Acquisition of subsidiary, net cash acquired		-	91	-	(121)
Advances to subsidiary		-	-	(3,087)	(3,666)
Payments for exploration, evaluation and development costs		(2,395)	(2,125)	-	-
Net cash flows used in investing activities		(2,391)	(2,195)	(3,087)	(3,787)
Cash flows from financing activities					
Net proceeds from issue of shares		-	10,699	-	10,699
Repayment of borrowings		(467)	(781)	-	-
Net cash flows from / (used in) financing activities		(467)	9,918	-	10,699
Net increase/(decrease) in cash and cash equivalents		(4,037)	7,104	(3,546)	6,446
Cash and cash equivalents at beginning of period		7,104	-	6,446	-
Cash and cash equivalents at end of period	7	3,067	7,104	2,900	6,446

The comparatives cover the period 1 February 2005 to 30 June 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

1 CORPORATE INFORMATION

Buka Gold Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the ASX. The ultimate parent company of Buka Gold Limited is Mineral Securities Limited whose subsidiary, Buka Minerals Pty Limited, owns 58.43% of the ordinary shares.

During the year the Group changed its financial year end from 30 June to 30 September pursuant to ASIC Class Order 98/96 so as to coincide with its ultimate foreign parent company. Therefore, the financial report covers the financial year from the period 1 July 2006 to 30 September 2007 and was authorised for issue in accordance with a resolution of the directors on 5 November 2007.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The Company is an entity to which Class Order 98/100 applies.

(b) Statement of compliance

The financial report comprising the financial statements and notes thereto, also complies with International Financial Reporting Standards (**IFRS**).

The following are recently issued or amended Australian Accounting Standards that are not yet effective, have not been adopted for the reporting period ending 30 September 2007 and are not expected to impact the Company:

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 7 *Financial Instruments: Disclosures.*	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Group's financial report.	1 July 2007
AASB 7	*Financial Instruments: Disclosures*	New standard replacing disclosure requirements of AASB 130 *Disclosures in the Financial Statements of Banks and Similar Financial Institutions* and AASB 132 *Financial Instruments: Disclosure and Presentation*.	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Statement of compliance (cont'd)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]	Amendments arising as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment.	1 July 2007	These amendments are expected to reduce the extent of some disclosures in the Group's financial report.	1 July 2007
AASB 2007-5	Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]	This Standard makes amendments to AASB 102 *Inventories*.	1 July 2007	This amendment only relates to Not-for-Profit Entities and as such is not expected to have any impact on the Group's financial report.	1July 2007
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	Amending standards for wording errors, discrepancies and inconsistencies.	1 July 2007	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on the Group's financial report.	1 July 2007
AASB Interpretation 10	*Interim Financial Reporting and Impairment*	Addresses an inconsistency between AASB 134 *Interim Financial Reporting* and the impairment requirements relating to goodwill in AASB 136 *Impairment of Assets* and equity instruments classified as available for sale in AASB 139 *Financial Instruments: Recognition and Measurement*.	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Group's financial report.	1 July 2007

*designates the beginning of the applicable annual reporting period

During September 2007, a revised AASB 101 "Presentation of Financial Statements" and AASB 2007-8 "Amendments to Australian Accounting Standards Arising from AASB101" were issued with applicable commencement date 1 January 2009. These two accounting standards are not expected to have any material impact on the Group's financial report at 30 September 2007.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Buka Gold Limited and its wholly owned subsidiary (**Group**).

The financial statements of the Company's subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

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.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(d) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at cost.

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

Plant and equipment – 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 are written down to their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment (cont'd)

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.

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(f) 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.

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.

(g) Exploration, evaluation, development and rehabilitation 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
All development expenditure is currently expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Exploration, evaluation, development and rehabilitation costs (cont'd)

Rehabilitation
Rehabilitation costs are provided for when exploration and evaluation activities give rise to the need for rehabilitation. The costs include obligations relating to reclamation, waste site closure, plant closure, platform removal and other costs associated with the rehabilitation of the site. These estimates of the rehabilitation obligations are based on anticipated technology and legal requirements and future costs. Any changes in the estimates are adjusted on a prospective basis. In determining the rehabilitation obligations, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to rehabilitation of such mines in the future.

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.

(h) Inventories

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

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

- Raw materials – purchase cost on a first-in, first-out basis; and
- Ore & gold stocks – cost of direct materials and labour and a proportion of production 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 to completion and the estimated costs necessary to make the sale.

(i) Trade and other receivables

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

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) 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.

(m) Employee leave benefits

Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) 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.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Leases (cont'd)

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

(o) Revenue recognition

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 it is passed to the buyer's carrier at the mine gate.

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.

(p) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Income Tax (cont'd)

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.

(q) 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.

(r) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of carried forward exploration, evaluation and development costs

The Group determines whether the carried forward exploration, evaluation and development costs are impaired at least at each financial reporting date. This requires an estimation of the remaining reserves and mine life and assumptions about the success of the Group's exploration pursuits in order to estimate the recoverable amount of the cash-generating unit.

Provision for terminations

Provision is made for the anticipated costs of staff redundancies based on their entitlements as at 30 September 2007. There is currently no firm decision as to the number and/or the timing of any redundancies. Nevertheless, a provision has been provided on the basis that staff numbers are reduced. The provision is an estimate of the staff redundancy entitlements under their employment contracts with the Company and the actual costs may be higher or lower than the estimate depending on the number and/or timing of such redundancies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Share-based payment transactions

The Group provides benefits to certain executives and employees of the Group in the form of share-based payments. During the Period Options were granted to the Executive Chairman and key employees of the Company's subsidiary.

The cost of the Options is measured by reference to the fair value of the Options at the date which they are granted. The fair value is determined by an external valuer using the Black-Scholes model, further details of which are given in Note 24.

The fair value of the Options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the Options.

The dilutive effect, if any, of outstanding Options is reflected as additional share dilution in the computation of earnings per share (see Note 6), unless a loss result has been reported.

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the Company, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Where a loss has been reported the dilutive effects of Options are not adjusted for, in accordance with AASB 133 *Earnings per share.*

(v) Functional and presentation currency

Both the functional and presentation currency of Buka Gold Limited and its subsidiary is Australian dollars ($).

(w) Comparatives

The current financial report for the Group covers the period 1 July 2006 to 30 September 2007. The comparatives cover the period from 1 February 2005 to 30 June 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

3 SEGMENT INFORMATION

The Group's primary reporting format is business segments and its secondary format is geographical segments.

The Group has one reportable segment for both geographical and business formats being the gold mining and exploration operation located in Queensland, Australia.

4 REVENUE AND EXPENSES

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(a) Other income				
Profit on disposal of fixed assets	87	8	-	-
Rendering of services	94	46	-	-
Other	1	-	1	-
	182	54	1	-
(b) Other expenses				
Amortisation of exploration & development costs	474	644	-	-
Amortisation of broken ore stocks	89	-		
Depreciation	709	650	-	-
Provision for terminations	350	-	-	-
Provision for rehabilitation	4	465	-	-
	1,626	1,759	-	-
(c) Write-down of impaired assets				
Intangibles	-	250	-	-
Mine development	-	4,000	-	-
Mine exploration	1,066	637	-	-
Surface exploration	-	7,841	-	4,342
Plant & equipment	245	500	-	-
Loans to subsidiary	-	-	3,041	9,865
	1,311	13,228	3,041	14,207

The above write-downs are a result of the decision to progressively wind-back mining operations and a greater focus on exploration. The write-downs resulted from a fair value assessment of each of the above assets based on market prices and comparable asset sales. The impairment to the loans to subsidiary to recoverable amount was determined based on the net assets of the consolidated group.

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(d) Finance (costs) / income				
Finance charges payable under finance lease and hire purchase contracts	(59)	(43)	-	-
Bank interest receivable	354	257	354	257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

4 REVENUE AND EXPENSES (cont'd)

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(e) Employee benefits expense				
Wages and salaries	5,033	3,148	390	239
Wages and salaries on-costs	353	554	22	11
Workers' compensation costs	186	167	-	-
Employee benefits provisions	(431)	407	17	9
Share-based payments	85	15	85	15

5 INCOME TAX

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the period ended 30 September 2007 is as follows:

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Accounting loss before tax	(3,692)	(14,653)	(3,692)	(14,653)
Tax at the statutory income tax rate of 30%	1,108	4,396	1,108	4,396
Non-deductible impairment losses	(393)	(3,968)	(912)	(4,262)
Unrecognised tax losses	(715)	(428)	(196)	(134)
Income tax expense reported in income statement	-	-	-	-

The directors consider that deferred income tax asset arising from tax losses of $3,013,000 (2006: $428,000) should not be recognised in the financial statements as the recoverability is dependent upon the Company and Gympie Eldorado Mining deriving sufficient assessable income to enable the benefit of the deductions for the losses to be realised and continuing to comply with the provisions of the income tax legislation relating to the deductions of tax losses.

Tax consolidation

Buka Gold Limited and its 100% owned subsidiary, Gympie Eldorado Mining Pty Ltd, have not formed a tax consolidated group as at the reporting date.

6 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/loss for the Period attributable to ordinary equity holders of the Company by the weighted average number of Shares outstanding during the Period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to Shareholders by the weighted average number of Shares outstanding during the Period (adjusted for the effects of dilutive Options). Where a loss has been reported the dilutive effects of Options are not adjusted for, in accordance with AASB 133 *Share based payments*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

6 EARNINGS PER SHARE (cont'd)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated	
	2007	2006
	$'000	$'000
Net loss attributable to equity holders	(3,692)	(14,653)
Net loss attributable to Shareholders for diluted earnings per Share	(3,692)	(14,653)

	Consolidated	
	2007	2006
	Thousands	*Thousands*
Weighted average number of ordinary shares for basic earnings per share	57,730	29,947
Effect of dilution:		
- Share options	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	57,730	29,947

There are 13,750,001 share options excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

7 CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Cash at bank and in hand	665	836	517	368
Short-term deposits	1,151	6,078	1,151	6,078
Restricted cash deposits	1,251	190	1,232	-
	3,067	7,104	2,900	6,446

Cash at bank and in hand earns interest at the floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

Restricted cash deposits include $1,232,000 held in a short term deposit which has been pledged as security for a bank guarantee to cover the Group's rehabilitation obligations and cash deposits of $19,500 held with the Department of Mines and Energy QLD for the Group's exploration permits.

NOTES TO THE FINANCIAL STATEMENTS
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7 CASH AND CASH EQUIVALENTS (cont'd)

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Reconciliation of cash to Cash Flow Statement				
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at Period end:				
Cash at bank and in hand	665	836	517	368
Short-term deposits	2,402	6,268	2,383	6,078
	3,067	7,104	2,900	6,446

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Reconciliation from the net loss after tax to the net cash flows from operations				
Net loss	(3,692)	(14,653)	(3,692)	(14,653)
Adjustments for:				
Amortisation	474	644	-	-
Depreciation	709	650	-	-
Rehabilitation	-	465	-	-
Profit on disposal of non-current assets	(87)	(8)	-	-
Write-down of impaired assets	1,311	13,228	3,041	14,207
Share options expensed	85	15	85	15
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	549	(280)	60	(89)
(Increase)/decrease in inventories	410	188	-	-
(Increase)/decrease in prepayments	(108)	433	7	(16)
(Decrease)/increase in trade and other payables	(399)	(1,241)	22	61
(Decrease)/increase in provisions	(431)	(60)	18	9
Net cash used in operating activities	(1,179)	(619)	(459)	(466)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

8 TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Trade receivables (a)	42	518	-	-
Other receivables (b)	63	116	41	101
	105	634	41	101
Non current				
Loans to subsidiary:				
Gross amount (c)	-	-	19,386	16,298
Less: provision for non-recoverability	-	-	(12,907)	(9,865)
	-	-	6,479	6,433

(a) Trade receivables are non-interest bearing and are generally on 5-day terms for gold sales and 14 days for other sales.

(b) Other receivables are amounts generally arise from transactions outside the usual operating activities of the Group and is non-interest bearing with no fixed terms.

(c) Loans to subsidiary are at call, non-interest bearing with no fixed terms. Details of impairment of loans to subsidiary are contained in Note 4(c).

9 INVENTORIES

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Raw materials (at cost)	118	255	-	-
Ore & gold stocks (at net realisable value)	176	449	-	-
	294	704	-	-

10 EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Exploration, evaluation and development costs carried forward in respect of mining areas of interest:				
Gympie, Australia	6,534	5,679	-	-
Movements				
At beginning	5,679	-	-	-
Acquisition of Gympie Eldorado Mining	-	16,665	-	-
Additions during the period	2,395	1,492	-	-
Amortisation during the period	(474)	-		
Impairment (Note 4c)	(1,066)	(12,478)	-	-
At end of period	6,534	5,679	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

11 PROPERTY, PLANT AND EQUIPMENT

	Consolidated		
	Land and building $'000	Plant and equipment $'000	Total $'000
Period ended 30 September 2007			
At 1 July 2006, net of accumulated depreciation	597	2,133	2,730
Additions	-	285	285
Disposal		(203)	(203)
Impairment (a)	-	(245)	(245)
Depreciation charge for the period	-	(709)	(709)
At 30 September 2007, net of accumulated depreciation	597	1,261	1,858

	Consolidated		
	Land and building $'000	Plant and equipment $'000	Total $'000
At 30 September 2007			
Cost or fair value	597	3,144	3,741
Accumulated depreciation and impairment	-	(1,883)	(1,883)
Net carrying amount	597	1,261	1,858

	Consolidated		
	Land and building $'000	Plant and equipment $'000	Total $'000
Period ended 30 June 2006			
At 1 February 2005, net of accumulated depreciation	-	-	-
Additions	97	63	160
Acquisition of subsidiary	500	3,220	3,720
Impairment (a)	-	(500)	(500)
Depreciation charge for the period	-	(650)	(650)
At 30 June 2006, net of accumulated depreciation	597	2,133	2,730

	Consolidated		
	Land and building $'000	Plant and equipment $'000	Total $'000
At 30 June 2006			
Cost or fair value	597	3,626	4,223
Accumulated depreciation and impairment	-	(1,493)	(1,493)
Net carrying amount	597	2,133	2,730

(a) Impairment loss

The impairment loss of $245,000 (2006: $500,000) represents the write-down of certain plant and equipment to recoverable amount and has been recognised in the income statement in the line item "Write-down of impaired assets". See Note 4(c) for further comments on the write-down.

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 September 2007 is $131,000 (2006: $1,199,787).

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

12 TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Trade payables	389	787	66	25
Other payables	177	158	18	36
	566	945	84	61

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have varying terms.

13 INTEREST-BEARING LOANS AND BORROWINGS

		Consolidated		Parent	
	Maturity	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current					
Creditors funding		-	36	-	-
Obligations under finance leases and hire purchase contracts (note 19)	2008	28	389	-	-
		28	425	-	-
Non-current					
Obligations under finance leases and hire purchase contracts (note 19)	2009-2010	24	94	-	-

14 PROVISIONS

Current				
Employee benefits	327	823	26	9
Terminations	350	-	-	-
	677	823	26	9
Non-current				
Employee benefits	136	422	-	-
Rehabilitation	1,232	1,232	-	-
	1,368	1,654	-	-

Consolidated	Employee benefits $'000	Terminations	Rehabilitation $'000	Total $'000
At 1 July 2006	1,245	-	1,232	2,477
Arising (utilised) during the period	(782)	350	-	(432)
At 30 September 2007	463	350	1,232	2,045
Current – 30 September 2007	327	350	-	677
Non-current – 30 September 2007	136	-	1,232	1,368
	463	350	1,232	2,045

NOTES TO THE FINANCIAL STATEMENTS
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14 PROVISIONS (cont'd)

Provision for rehabilitation is recognised for the expected costs in today's value associated with the rehabilitation of the mine site area. The provision is based on the best estimate of the direct expenditures to be incurred and which is not associated with the on-going activities of the economic entity.

The Company has given a bank guarantee of $1,232,000 to cover potential rehabilitation costs in respect of group tenement holdings.

	Employee benefits $'000
Parent	
At 1 July 2006	9
Arising during the period	17
At 30 September 2007	26
Current – 30 September 2007	26
Non-current – 30 September 2007	-
	26

15 CONTRIBUTED EQUITY

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Ordinary shares				
Issued and fully paid	27,564	27,564	27,564	27,564

	No. of shares	*'000*
Movements in ordinary shares on issue		
At 1 February 2005	-	-
Issued on 5 October 2005	4,346	2,173
Issued on 7 October 2005	29,384	14,692
Issued on 7 October 2005 from initial public offer	24,000	12,000
Costs associated with the initial public offer	-	(1,301)
At 1 July 2006	57,730	27,564
No movements	-	-
At 30 September 2007	57,730	27,564

Fully paid ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares carry one vote per share, either in person or by proxy, at a meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

15 CONTRIBUTED EQUITY (cont'd)

Options

At the reporting date the following Options were outstanding:

i) 12,000,001 listed Options, having an exercise price of 65 cents per option, exercisable before 30 June 2008.

ii) 500,000 unquoted Directors' Options, having an exercise price of 50 cents per option and exercisable between 27 September 2007 and 27 September 2010. These Options are included in Directors' remuneration.

iii) 500,000 unquoted Director's Options issued on 4 October 2006. The Options have an exercise price of 32 cents per Option and are exercisable between 1 October 2007 and 1 October 2010. These Options are included in Directors' remuneration.

iv) 500,000 unquoted Director's Options issued on 4 October 2006. The Options have an exercise price of 42 cents per Option and are exercisable between 1 October 2008 and 1 October 2010. These Options are included in Directors' remuneration.

v) 250,000 unquoted employee options issued on 27 September 2007. The Options have an exercise price of 32 cents per Option and are exercisable between 1 October 2008 and 1 October 2010.

16 ACCUMULATED LOSSES AND RESERVES

(a) Movements in accumulated losses were as follows:

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Balance at beginning of period	(14,653)	-	(14,653)	-
Net loss for the period	(3,692)	(14,653)	(3,692)	(14,653)
Balance at end of period	(18,345)	(14,653)	(18,345)	(14,653)

(b) Reserves

Balance at beginning of period	15	-	15	-
Share-based payments for the period	85	15	85	15
Balance at end of period	100	15	100	15

Nature and purpose of reserves

Employee equity benefits reserve
This reserve is used to record the value of equity benefits provided to directors & employees as part of their remuneration.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise finance leases and hire purchase contracts, cash and short-term deposits.

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the Period, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Cash flow interest rate risk

As the Group has no interest-bearing liabilities with a floating interest rate, the Group's income and operating cash flows are not exposed to changes in market interest rates. The Group's policy to manage interest rate risk is to keep most of its borrowings at fixed rate of interest by entering into fixed interest rate contracts e.g. finance leases and hire purchase contracts.

Commodity price risk

The Group is exposed to commodity price risk in respect of the gold market. The Group does not currently hedge against changes in the gold price as the Company's policy is to provide investors with exposure to commodity prices. In addition the small amount of certain production against which a counter-party might lend means there are no long term strategic material benefits in entering into hedge contracts for the Group's gold output.

Credit risk

The Group only sells goods to recognised and creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

18 FAIR VALUE AND INTEREST RATE RISK

Fair values
All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Interest rate risk
The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

NOTES TO THE FINANCIAL STATEMENTS
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18 FAIR VALUE AND INTEREST RATE RISK (cont'd)

At 30 September 2007	<1 yr $'000	>1- <2yrs $'000	>2- <3yrs $'000	>3- <4yrs $'000	>4- <5yrs $'000	>5 yrs $'000	Total $'000	Weighted average effective interest rate %
Consolidated								
Fixed rate								
Obligations under finance leases and hire purchase contracts	25	8	19		-	-	52	8.00
Short-term deposits	2,402	-	-	-	-	-	2,402	6.70
Floating rate								
Cash assets	665	-	-	-	-	-	665	4.50

At 30 September 2007	<1 yr $'000	>1- <2yrs $'000	>2- <3yrs $'000	>3- <4yrs $'000	>4- <5yrs $'000	>5 yrs $'000	Total $'000	Weighted average effective interest rate %
Parent								
Fixed rate								
Short-term deposits	2,383	-	-	-	-	-	2,383	6.70
Floating rate								
Cash assets	517	-	-	-	-	-	517	4.50

At 30 June 2006	<1 yr $'000	>1- <2yrs $'000	>2- <3yrs $'000	>3- <4yrs $'000	>4- <5yrs $'000	>5 yrs $'000	Total $'000	Weighted average effective interest rate %
Consolidated								
Fixed rate								
Obligations under finance leases and hire purchase contracts	389	66	7	21	-	-	483	8.00
Short-term deposits	6,268	-	-	-	-	-	6,268	5.77
Floating rate								
Cash assets	836	-	-	-	-	-	836	4.00

NOTES TO THE FINANCIAL STATEMENTS
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18 FAIR VALUE AND INTEREST RATE RISK (cont'd)

At 30 June 2006	<1 yr $'000	>1-<2yrs $'000	>2-<3yrs $'000	>3-<4yrs $'000	>4-<5yrs $'000	>5 yrs $'000	Total $'000	Weighted average effective interest rate %
Parent								
Fixed rate								
Short-term deposits	6,078	-	-	-	-	-	6,078	5.77
Floating rate								
Cash assets	368	-	-	-	-	-	368	4.00

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Group and Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

19 COMMITMENTS AND CONTINGENCIES

Finance lease and hire purchase commitments

The Group has finance leases and hire purchase contracts for various items of plant and equipment.

	2007		2006	
	Minimum payments $'000	Present value of payments $'000	Minimum payments $'000	Present value of payments $'000
Consolidated				
Within one year	28	28	408	408
After one year but not more than five years	30	24	104	75
Total minimum lease payments	58	52	512	483
Less amounts representing finance charges	(6)	-	(29)	-
Present value of minimum lease payments	52	52	483	483

Capital commitments

There are no contracted commitments as at 30 September 2007. However, the expected expenditure commitments with respect to the exploration grounds at Gympie are approximately $1,100,000 in 2008.

Contingencies

At 30 September 2007 there were no known contingent liabilities or contingent assets.

NOTES TO THE FINANCIAL STATEMENTS
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20 RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statements of Buka Gold Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity interest 2007	% Equity interest 2006	Parent Entity Investment $'000 2007	Parent Entity Investment $'000 2006
Gympie Eldorado Mining Pty Ltd	Australia	100%	100%	449	449
Provision for diminution				(449)	(449)
				-	-

(b) Ultimate parent

Buka Gold Limited is the ultimate Australian parent entity of the Group and the ultimate parent of the Group is Mineral Securities Limited which owns 58.43% of Buka Gold Limited indirectly.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in Note 23.

(d) Transactions with subsidiaries

Interest free loans were made by Buka Gold Limited (parent entity) to Gympie Eldorado Mining Pty Ltd during the Period. At balance date the loan balance is $19,386,000 (2006: $16,298,121) and the fair value of this loan is $6,479,000 (2006: $6,433,000).

(e) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the period ended 30 September 2007 and 30 June 2006:

Related party		*Amounts owed to related parties $'000*	*Amounts owed by related parties $'000*
Immediate parent:			
Buka Minerals Pty Ltd (then Buka Minerals Ltd)	2007	9	-
	2006	-	12

Outstanding balances at Period end are unsecured and interest free.

21 EVENTS AFTER THE BALANCE SHEET DATE

There were no events likely to have a significant impact on the Company after the balance date and to the date of the Director's Report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

22 AUDITORS' REMUNERATION

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Amounts received or due and receivable by Ernst & Young Australia for:				
(i) an audit or review of the financial report of the entity and any other entity in the consolidated entity	79	75	64	58
(ii) other services in relation to the entity and any other entity in the consolidated entity				
- accounting and due diligence services in respect to the Company's initial public offer	-	117	-	117
	79	192	64	175

23 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

D Hillier	Director (executive chairman) - Appointed 18 July 2005
J Richards	Director (non-executive) - Appointed 1 February 2005
P Dowd	Director (non-executive) - Appointed 1 June 2006

(ii) Executives

J Keily	Director, GEM (resigned 17 April 2007)

(b) Compensation of Key Management Personnel

(i) Compensation policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Chairman. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The Company has entered into an employment contract with the Executive Chairman. The employment contract has no term and requires, other than in the case of dismissal for misconduct, either party give two months notice prior to termination. There has been no change in the terms of the contract since commencement of the Executive Chairman's employment in March 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

23 KEY MANAGEMENT PERSONNEL (cont'd)

(ii) Compensation of key management personnel

Consolidated 30 September 2007	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Share Options	**Total**
Directors				
D Hillier	343,750	15,968	84,988	444,706
J Richards	-	-	-	-
P Dowd	49,755	2,752	-	52,507
Executives				
J Keily *	169,622	18,889	-	188,511
	563,127	37,609	84,988	685,724

* resigned on 17 April 2007.

Consolidated 30 June 2006	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Share Options	**Total**
Directors				
D Hillier	102,252	4,999	14,970	122,221
M Hulmes #	116,561	4,669	-	121,230
J Richards	-	-	-	-
P Dowd	-	-	-	-
Executives				
J Keily	105,384	6,536	-	111,920
	324,197	16,204	14,970	355,371

resigned on 1 June 2006

Parent 30 September 2007	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Share Options	**Total**
Directors				
D Hillier	343,750	15,968	84,988	444,706
J Richards	-	-	-	-
P Dowd	49,755	2,752	-	52,507
	393,505	18,720	84,988	497,213

Parent 30 June 2006	**Short-Term** Salary & Fees	**Post-Employment** Superannuation	**Share-based Payment** Share Options	**Total**
Directors				
D Hillier	102,252	4,999	14,970	122,221
M Hulmes #	116,561	4,669	-	121,230
J Richards	-	-	-	-
P Dowd	-	-	-	-
	218,813	9,668	14,970	243,451

resigned on 1 June 2006

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

23 KEY MANAGEMENT PERSONNEL (cont'd)

During the Period, the Company had in place and paid premiums for insurance policies indemnifying directors and officers of the Company against certain liabilities incurred in the conduct of business or in the discharge of their duties as directors or officers. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premium paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

(c) Other transactions and balances with Key Management Personnel

There were no transactions and balances with key management personnel during the period ended 30 September 2007 and as at 30 September 2007.

(d) Shareholdings of Key Management Personnel

Ordinary shares held in Buka Gold Limited.

30 September 2007	Balance at 1 July 2006	Net change other	Balance at 30 September 2007
Director			
D Hillier*	900,000	345,000	1,245,000

30 June 2006	Balance at 1 February 2005	Net change Other	Balance at 30 June 2006
Director			
D Hillier*	-	900,000	900,000

*Indirect interest

John Richards has an indirect interest in Buka Gold Limited through his interest in Mineral Securities Limited, the majority Shareholder of the Company (see Directors' Report for further details).

(e) Option holdings of Key Management Personnel

30 September 2007	Balance at 1 July 2006	Granted during period *	Balance at 30 September 2007	Exercisable	Not Exercisable
Director					
D Hillier	560,000	1,000,000	1,560,000	560,000	1,000,000

30 June 2006	Balance at 1 February 2005	Issued on IPO	Granted during period	Balance at 30 June 2006	Exercisable	Not Exercisable
Director						
D Hillier	-	60,000	500,000	560,000	60,000	500,000
M Hulmes #	-	-	1,000,000	-	-	-
	-	60,000	1,500,000	560,000	60,000	500,000

Mr Hulmes resigned as a Director on 1 June 2006 and these Options have been forfeited.

* The details relating to the equity-settled Options are disclosed in Note 24.

No other key management personnel have an interest in Options.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

24 SHARE-BASED PAYMENTS

Options are granted to certain executives and employees of the Group in the form of share-based payments. There is currently no formal employee share plan, however selected employees of the Group were granted Options during the Period. The purpose of the grant of Options to selected employees is to:

- recognise the ongoing ability of the employees of the Group and their expected efforts and contribution in the long term to the performance and success of the Company; and
- provide an incentive to the employees of the Group to remain in their employment in the long term.

(a) Recognised share-based payment expense

The expense recognised for employee services received during the year is shown in the table below:

	Consolidated		Parent	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Expense arising from equity-settled share-based payment transactions	85	15	85	15

(b) Summaries of Options granted

The following table illustrates the number (No.) and weighted average exercise prices (**WAEP**) of, and movements in, Options issued during the year:

	2007 No.	2007 WAEP	2006 No.	2006 WAEP
Outstanding at the beginning of the period	500,000	0.50	-	-
Granted during the period	1,250,000	0.36	1,500,000	0.50
Forfeited during the period	-	-	(1,000,000)	0.50
Outstanding at the end of the period	1,750,000	0.40	500,000	0.50
Exercisable at the end of the period	500,000	0.50	-	-

The outstanding balance as at 30 September 2007 is represented by:

- 500,000 Director's Options exercisable at a price of $0.50 each after 27 September 2007 and before 27 September 2010;
- 500,000 Director's Options exercisable at a price of $0.32 each not before 1 October 2007 and not after 1 October 2010;
- 500,000 Director's Options exercisable at a price of $0.42 each not before 1 October 2008 and not after 1 October 2010; and
- 250,000 employee Options exercisable at a price of $0.32 each not before 1 October 2008 and not after 1 October 2010.

(c) Weighted average remaining contractual life

The weighted average remaining contractual life for the Options outstanding as at 30 September 2007 is 3 years (2006: 4 years).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

24 SHARE-BASED PAYMENTS (Cont'd)

(d) Range of exercise prices

The range of exercise prices for Options outstanding at the end of the Period was $0.32 - $0.50 (2006: $0.50).

(e) Weighted average fair value

The weighted average fair value of Options granted during the Period was $0.07 (2006: $0.08).

(f) Option pricing model

The fair value of the equity-settled Options granted is estimated as at the date of grant using the Black-Scholes option pricing model taking into account the terms and conditions upon which the Options were granted.

The following table lists the inputs to the models used for the period ended 30 September 2007 and 30 June 2006:

30 September 2007	Director's Options		Employee Options
	500,000 options	500,000 options	250,000 options
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	80	80	145
Risk free interest rate (%)	5.71	5.71	6.57
Exercise price ($)	0.32	0.42	0.32
Marketability discount (%)	40	40	40
Expected life of option (years):	3	2	3
Assumed share price at grant date ($)	0.16	0.16	0.34
Value of option ($)	0.044	0.038	0.168

30 June 2006	Director's Options 500,000 options
Dividend yield (%)	Nil
Expected volatility (%)	40
Risk free interest rate (%)	5.39
Exercise price ($)	0.50
Marketability discount (%)	40
Expected life of option (years):	3
Assumed share price at grant date ($)	0.50

(g) Performance Shares

The Executive Chairman was also issued with a right to be issued Shares as part of a performance bonus upon achievement of certain share price performance benchmarks. The following Shares will be awarded for nil consideration if the 30 day volume weighted average sale price for Shares reaches the following levels:

i. $0.40: 200,000 Shares
ii. $0.50: 300,000 Shares
iii. $0.60: 500,000 Shares

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 30 SEPTEMBER 2007

24 SHARE-BASED PAYMENTS (Cont'd)

The fair value of the right to the above Shares is $28,755, measured at the grant date by an independent valuer using the Monte Carlo Simulation analysis.

The following lists the inputs to the Monte Carlo model used for estimating the fair value of the right at the grant date:

Dividend yield:	Nil
Expected volatility:	60%
Risk free rate:	5.79%
Term of right:	28 September 2006 to 31 December 2007
Share price:	16 cents

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Buka Gold Limited, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company and its subsidiary are in accordance with the Corporations Act 2001 (Cth), including:

(i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 September 2007 and of their performance for the period 1 July 2006 to 30 September 2007; and

(ii) complying with the Accounting Standards and Corporations Regulations 2001 (Cth); 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.

The directors have been given the declaration required by section 295A of the Corporations Act 2001 (Cth).

On behalf of the Board

David Hillier
Executive Chairman

6 November 2007

ERNST & YOUNG

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Independent auditor's report to the members of Buka Gold Limited

We have audited the accompanying financial report of Buka Gold Limited and the entities it controlled during the financial period, which comprises the balance sheet as at 30 September 2007, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 *Related Party Disclosures* ("remuneration disclosures"), under the heading "Remuneration Report" in the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, comply with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures comply with Accounting Standard AASB 124 *Related Party Disclosures*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Buka Gold Limited is in accordance with:

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

(i) giving a true and fair view of the financial position of Buka Gold Limited and the consolidated entity at 30 September 2007 and of their performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

(b) other mandatory financial reporting requirements in Australia.

2. the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

3. the remuneration disclosures that are contained in the directors' report comply with Accounting Standard AASB 124 *Related Party Disclosures*.

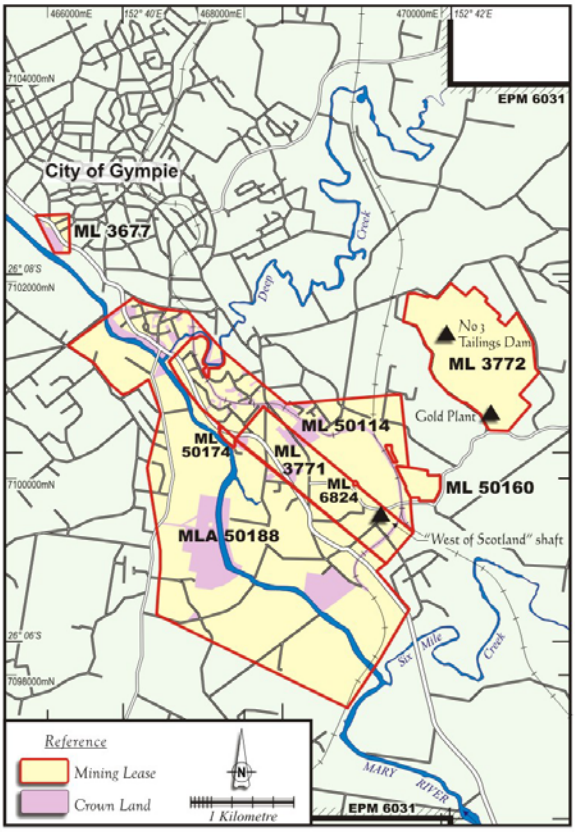
Ernst & Young

Gary Daniels
Partner

6 November 2007

SCHEDULE OF TENEMENTS

Tenement	Location	Ownership	Status
ML 3677	See Figure 5 below	100% GEM	Granted
ML 3771	See Figure 5 below	100% GEM	Granted
ML 3772	See Figure 5 below	100% GEM	Granted
ML 6824	See Figure 5 below	100% GEM	Granted
ML 50114	See Figure 5 below	100% GEM	Granted
ML 50160	See Figure 5 below	100% GEM	Granted
ML 50174	See Figure 5 below	100% GEM	Granted
ML 50188	See Figure 5 below	100% GEM	Granted
EPM 6031	See Figure 1 on page 4	100% GEM	Granted
EPM 14859	See Figure 1 on page 4	100% GEM	Granted
EPM 14860	See Figure 1 on page 4	100% GEM	Granted
EPM 16032	See Figure 1 on page 4	100% GEM	Granted
EPM 16074	See Figure 1 on page 4	100% GEM	Granted
EPMA 16655	See Figure 1 on page 4	100% GEM	Under application
EPMA 16818	See Figure 1 on page 4	100% GEM	Under application
EPMA 16819	See Figure 1 on page 4	100% GEM	Under application
EPMA 16820	See Figure 1 on page 4	100% GEM	Under application
EPMA 16821	See Figure 1 on page 4	100% GEM	Under application
EPMA 16822	See Figure 1 on page 4	100% GEM	Under application
EPMA 16823	See Figure 1 on page 4	100% GEM	Under application
EPMA 16824	See Figure 1 on page 4	100% GEM	Under application
EPMA 16825	See Figure 1 on page 4	100% GEM	Under application



Note: MLA 50188 has been granted. The area marked "MLA 50188" refers to ML 50188.

Figure 5: Location of Mining Leases

ADDITIONAL SHAREHOLDER INFORMATION

Spread of Shareholdings

The total number of Shares issued as at 22 October 2007 was 57,730,000, held by 594 registered Shareholders.

An analysis of Shareholdings as at 22 October 2007 reveals:

Size of holdings	Number of holders	Number of Shares	%
1 – 1000	3	511	0.001
1,001 – 5,000	194	747,982	1.296
5,001 – 10,000	167	1,524,830	2.641
10,001 – 100,000	193	6,990,837	12.110
100,001 and over	37	48,465,840	83.953
Total		**57,730,000**	**100.000**

Six Shareholders hold less than a marketable parcel, based on the market price of a Share as at 22 October 2007.

Each Share carries one vote per Share without restriction.

Substantial Shareholders

As at 22 October 2007, the substantial Shareholders as disclosed in substantial holding notices given to the Company are:

	Holding	%
Buka Minerals Pty Limited*	33,730,000	58.4%
The SV Group**	4,000,000	6.93%

* Buka Minerals Pty Limited is a wholly owned subsidiary of Mineral Securities Limited.

** The SV Group consists of SV Absolute Precious LP, Sun Valley Gold Master Fund Ltd, Sun Valley Gold LLC, Sun Valley Gold International Ltd, Sun Valley Gold LP, Sun Valley Gold Company and Peter Palmedo.

Quoted Options

The total number of quoted Options issued as at 22 October 2007 was 12,000,001, held by 470 holders. The quoted Options are exercisable at $0.65 on or before 30 June 2008.

An analysis of quoted Option holdings as at 22 October 2007 reveals:

Size of holdings	Number of holders	Number of Shares	%
1 – 1000	2	2,000	0.017
1,001 – 5,000	334	1,150,200	9.585
5,001 – 10,000	41	381,500	3.179
10,001 – 100,000	74	2,753,175	22.943
100,001 and over	19	7,713,126	64.276
Total		**12,000,001**	**100.000**

No voting rights are attached to quoted Options.

Unquoted Options

As at the date of this Annual Report the Company had on issue:

- 1,500,000 unquoted Options (one third exercisable at $0.50 and expiring on 27 September 2010, one third exercisable at $0.32 and expiring on 1 October 2010 and one third exercisable at $0.42 not before 1 October 2008 and which expire on 1 October 2010) held indirectly by David Hillier, Executive Chairman; and

- 250,000 unquoted Options exercisable at $0.32 not before 1 October 2008 and not after 1 October 2010, held by five employees of Gympie Eldorado Mining.

No voting rights are attached to unquoted Options.

Twenty Largest Shareholders

As at 23 October 2007, the twenty largest Shareholders were as shown in the following table and held 80.4% of the Shares.

	Legal Holder	Holding	%
1	Buka Minerals Limited	33,730,000	58.427
2	HSBC Custody Nominees (Australia) Limited - GSCO ECSA	2,999,761	5.196
3	Mr David Hillier <The DAD Family S/F A/C>	1,500,000	2.598
4	HSBC Custody Nominees (Australia) Limited - A/C 2	1,000,239	1.733
5	Mr Barry Levy & Mr Geoffrey Levy <BM & G Levy Investment A/C>	1,000,000	1.732
6	National Nominees Limited	887,786	1.538
7	Mr Ross Leach	830,576	1.439
8	Berger Equities Pty Ltd <Berger Super Fund A/C>	526,600	0.912
9	ANZ Nominees Limited <Cash Income A/C>	502,786	0.871
10	Het Quartet	400,000	0.693
11	Mr James Peter Kavazos	375,000	0.650
12	Citicorp Nominees Pty Limited	300,000	0.520
13	Fonomes Pty Ltd	300,000	0.520
14	MLEQ Nominees Pty Limited <Unpaid1 A/C>	287,214	0.498
15	Mr Morris Stanley Newport	267,500	0.463
16	Cydac Pty Ltd <Woodhill Super Fund A/C>	250,000	0.433
17	Mrs Beverley Michaelis <The Michaelis Family A/C>	230,000	0.398
18	Mr Ianaki Semerdziev	215,000	0.372
19	Mrs Tew Hua Cameron	200,000	0.346
20	Ms Seiko Furuse & Mr Savas Turem	200,000	0.346
	Radiata Investments Pty Ltd	200,000	0.346
	Napla Pty Ltd	200,000	0.346
	Total	**46,402,462**	**80.378**

Twenty Largest Option holders

As at 23 October 2007, the twenty largest holders of quoted Options were as shown in the following table and held 70.9% of the quoted Options.

	Legal Holder	Holding	%
1	HSBC Custody Nominees (Australia) Limited - GSCO ECSA	1,499,881	12.499
2	Clodene Pty Ltd	1,190,128	9.918
3	Berger Equities Pty Ltd	952,500	7.937
4	Mr Stefan Bernhard Kollasch	650,000	5.417
5	HSBC Custody Nominees (Australia) Limited - A/C 2	500,120	4.168
6	Lightfoot Brothers Midland Pty Ltd	500,000	4.167
7	ANZ Nominees Limited <Cash Income A/C>	356,000	2.967
8	Fortis Clearing Nominees P/L <Settlement A/C>	219,206	1.827
9	Mr Talal Tabikh	218,000	1.817
10	Mr John Alfred Fuller	200,000	1.667
11	Mr Barry Levy & Mr Geoffrey Levy <BM & G Levy Investment A/C>	200,000	1.667
12	Kilgret Pty Limited	200,000	1.667
13	Mr Norman John Pearce	200,000	1.667
14	Het Quartet	200,000	1.667
15	HSBC Custody Nominees (Australia) Limited	175,000	1.458
16	Ms Bronwyn Alys Cargill & Mr Colin Victor Cargill <Cargill Super Fund A/C>	132,000	1.100
17	Mr Thomas Harding Ransom & Mr David Meldrum Ransom	110,000	0.917
18	Bay of Plenty Pty Ltd <Bay of Plenty Ret Pln A/C>	108,291	0.902
19	Redpetals Pty Limited	102,000	0.850
20	Mr Heinz Rasch	100,000	0.833
	Clodene Pty Ltd	100,000	0.833
	Mrs Jacinta Maree Westbrook	100,000	0.833
	Mr Brian Richard Bresnahan & Mrs Florence Eva Bresnahan <Bresnahan Super Fund A/C>	100,000	0.833
	TM Works Pty Ltd	100,000	0.833
	Mr Raymond Dunlop	100,000	0.833
	Mr Peter McDonald Ingleby	100,000	0.833
	Mr Harold Dean Schiller	100,000	0.833
	Total	**8,513,126**	**70.943**

There is no current on-market buy-back.

None of the Company's securities are restricted or subject to voluntary escrow.

Enquiries from Shareholders

Shareholders wishing to record a change of address or other holder details or with queries regarding their Shareholding should contact the Company's share registry, Registries Limited, as detailed in the Corporate Directory at the front of this Annual Report. Shareholders with any other query are invited to contact the Company's registered office as detailed in the Corporate Directory at the front of this Annual Report.

GLOSSARY

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Audit Committee means the audit, risk and compliance committee of the Company.

Board means the board of directors of the Company.

Buka Gold or **Company** means Buka Gold Limited ACN 112 731 638.

Council means ASX Corporate Governance Council.

Director means a director of the Company.

EPMA means an application for an Exploration Permit, made pursuant to the *Mineral Resources Act* 1989 (Qld).

Executive Chairman means the executive chairman of the Company.

Exploration Permit or **EPM** means an exploration permit granted pursuant to the *Mineral Resources Act* 1989 (Qld).

Group means Buka Gold and its wholly owned subsidiary, GEM.

Gympie Eldorado Mining or **GEM** means Gympie Eldorado Mining Pty Ltd ACN 110 465 177, the wholly owned subsidiary of the Company.

Mining Lease or **ML** means a mining lease granted pursuant to the *Mineral Resources Act* 1989 (Qld).

MLA means an application for a mining lease, made pursuant to the *Mineral Resources Act* 1989 (Qld).

Option means an option to subscribe for one unissued Share.

Period means 1 July 2006 to 30 September 2007.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of one or more Shares.

BUKA
GOLD LIMITED