

BUKA GOLD LIMITED**ASX ANNOUNCEMENT 25 JUNE 2008****RIGHTS ISSUE AND STRATEGIC REVIEW**

The Board of Buka Gold Limited is pleased to advise that it will undertake a partially underwritten rights issue to support the Company's increased exploration efforts on the Mt Scotchby discovery and the extended Maryborough Basin prospects.

The rights issue will be offered to all eligible shareholders on the basis of one (1) new share for every three (3) shares held on the record date (proposed to be 9 July 2008) at the price of 10 cents per share, to raise up to \$1.9 million. The issue price represents a discount of 9% to the closing price, and 24% to the 20 day volume weighted average price, on 24 June 2008. The directors and a number of sophisticated investors have agreed to underwrite \$0.9m of the offer without any underwriting fee payable.

The Company intends to conduct the offer without a prospectus in accordance with the streamlined offering provisions of section 708AA of the Corporations Act 2001. It is expected that the Offer Memorandum and Appendix 3B, containing full details of the rights issue, will be lodged with ASX on 1 July 2008.

The Board is currently undertaking a strategic review of the Company's assets, and as a result has determined to focus on Mt Scotchby and the 2,500 km² of granted and applied for exploration tenements covering the Maryborough Basin, where the company has identified a number of opportunities for the discovery of further sub-volcanic intrusive complexes of similar age and character to Mt Scotchby.

Diamond drilling of five high priority targets at Mt Scotchby is due to commence next week.

As part of the review, the Board has also resolved to seek expressions of interest for the sale of the Gympie mining operation and the Company's interest in the historic Gympie goldfield exploration tenements in order to focus exploration efforts on the Mt Scotchby discovery and the extended Maryborough Basin prospects.

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