BUKA
GOLD LIMITED

ABN: 31 112 731 638

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED
31 MARCH 2009

The information in this report, given to ASX under Listing Rule 4.2A, should be read in conjunction with Buka Gold Limited's most recent annual financial report.

5 JUNE 2009

Corporate Directory

Australian Business Number	31 112 731 638	
Country of Incorporation	Australia	
Board of Directors	David Hillier John Richards Paul Dowd Robert Gunthorpe	Executive Chairman Non-executive Director Non-executive Director Non-executive Director
Company Secretary	Peta Marshman	
Principal Administrative Office	Level 22 Allendale Square 77 St Georges Tce Perth WA 6000	
	Telephone: Facsimile:	+61 (0)8 9221 7466 +61 (0)8 9221 7866
Registered Office	Level 22 Allendale Square 77 St Georges Tce Perth WA 6000	
	Telephone: Facsimile:	+61 (0)8 9221 7466 +61 (0)8 9221 7866
	Contact: Website:	info@bukagold.com.au www.bukagold.com.au
Share Registry	Registries Limited Level 7, 207 Kent Street Sydney, NSW 2000	
	Telephone: Facsimile:	+61 (2) 9290 9600 +61 (2) 9279 0664
Auditors	Ernst & Young 680 George Street Sydney, NSW 2000	
Australian Stock Exchange Limited (ASX)	Buka Gold Limited's fully paid ordinary shares are quoted on the Official List of ASX. The ASX code is BKG.	

Directors' Report

The directors of Buka Gold Limited (**Buka Gold** or **the Company**) submit their report for the half-year ended 31 March 2009.

DIRECTORS

The names of Buka Gold's directors currently in office are as follows:

David Hillier (Executive Chairman)
John Richards (Non-Executive Director)
Paul Dowd (Non-Executive Director)
Robert Gunthorpe (Non-Executive Director)

David Hillier, John Richards and Paul Dowd were in office for the entire period. Robert Gunthorpe was appointed a director of the Company on 18 December 2008.

REVIEW AND RESULTS OF OPERATIONS

Buka Gold's primary activity is exploration for precious and base metals in South East Queensland.

Financial Results

The Consolidated Entity recorded a net profit for the period of $444,809 (31 March 2008: net loss $419,896).

During the period 1,667 ounces (31 March 2008: 2,450) of gold were sold at an average price of $1,202 per ounce (31 March 2008: $947).

Operations Review

There were no lost time injuries during the period.

The last gold pour from the Company's Gympie Eldorado operations took place in December 2008 and mining and processing operations have now ceased. The Company has commenced the sale of the related assets, including:

- a large portfolio of freehold land;
- underground mining equipment; and
- the CIP processing plant which has a rated capacity of 250,000 tonnes per annum.

The proceeds from the sale of the above property, plant and equipment will be used to fund the ongoing Mt Scotchy and Maryborough Basin exploration programmes.

Rehabilitation of the mine site and tailings dams is underway, with anticipated expenditure offset by a security deposit held for the Queensland Department of Mines and Energy.

Directors' Report (continued)

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires Buka Gold's auditors, Ernst & Young, to provide the directors with an Independence Declaration in relation to the review of the Half-year financial report. This Independence Declaration follows and forms part of this Directors' report.

Signed in accordance with a resolution of the directors.

David Hillier
Executive Chairman

5 June 2009

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

In relation to our review of the financial report of Buka Gold Limited for the half-year ended 31 March 2009, 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
5 June 2009

Income Statement
FOR THE HALF-YEAR ENDED 31 MARCH 2009

	Note	CONSOLIDATED 2009 $	2008 $
Continuing operations			
Other revenue	3	44,102	76,377
Other income	3	346,644	186,659
Total revenue		390,746	263,036
Administrative expenses		(251,868)	(185,602)
Other expenses	3	(589,482)	(584,021)
Finance costs	3	(1,200)	-
Loss from continuing operations before income tax		(451,804)	(506,587)
Income tax expense	5	-	-
Loss from continuing operations after income tax		(451,804)	(506,587)
Discontinued operations			
Profit from discontinued operations after income tax	4	896,613	86,691
Net profit/(loss) for the period		444,809	(419,896)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the parent (cents per share)			
-basic for loss for the period		(0.63)	(0.73)
-diluted for loss for the period		(0.63)	(0.73)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the parent (cents per share)			
-basic for profit/(loss) for the period		0.62	(0.73)
-diluted for profit/(loss) for the period		0.62	(0.73)

Balance Sheet
AS AT 31 MARCH 2009

	Note	CONSOLIDATED	
		As at 31 March 2009 $	As at 30 September 2008 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,552,681	2,911,157
Trade and other receivables		17,632	177,824
Inventories		-	178,388
Prepayments		65,495	95,397
Assets held for sale	7	1,301,245	1,565,326
Total Current Assets		3,937,053	4,928,092
Non-current Assets			
Exploration, evaluation and development costs capitalised		1,323,566	982,351
Total Non-current Assets		1,323,566	982,351
TOTAL ASSETS		5,260,619	5,910,443
LIABILITIES			
Current Liabilities			
Trade and other payables		238,254	442,862
Interest-bearing loans and borrowings		9,889	9,889
Provisions		37,217	916,594
Provisions – assets held for sale		1,236,310	1,254,349
Total Current Liabilities		1,521,670	2,623,694
Non-current Liabilities			
Interest-bearing loans and borrowings		12,468	15,744
Provisions		5,542	-
Total Non-current Liabilities		18,010	15,744
TOTAL LIABILITIES		1,539,680	2,639,438
NET ASSETS		3,720,939	3,271,005
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	8	28,884,383	28,884,383
Accumulated losses		(25,359,098)	(25,803,907)
Reserves		195,654	190,529
TOTAL EQUITY		3,720,939	3,271,005

Cash Flow Statement
FOR THE HALF-YEAR ENDED 31 MARCH 2009

	Note	CONSOLIDATED 2009 $	2008 $
Cash flows from operating activities			
Receipts from customers		2,177,396	2,658,793
Payments to suppliers and employees		(2,313,432)	(2,334,103)
Payments for exploration, evaluation and development		(566,490)	(754,031)
Interest and other costs of finance paid		(1,200)	-
Net cash flows used in operating activities		(703,726)	(429,341)
Cash flows from investing activities			
Interest received		48,682	45,890
Proceeds from sale of property, plant and equipment		299,844	-
Purchase of property, plant and equipment		-	(4,000)
Net cash flows from investing activities		348,526	41,890
Cash flows from financing activities			
Repayment of borrowings		(3,276)	(23,276)
Net cash flows used in financing activities		(3,276)	(23,276)
Net decrease in cash and cash equivalents		(358,476)	(410,727)
Cash and cash equivalents at beginning of period		2,911,157	3,067,419
Cash and cash equivalents at end of period	6	2,552,681	2,656,692

Statement of Changes in Equity
FOR THE HALF-YEAR ENDED 31 MARCH 2009

	CONSOLIDATED			
	Issued capital $	***Accumulated losses $***	***Equity-settled employee benefits reserve $***	***Total $***
At 1 October 2008	28,884,383	(25,803,907)	190,529	3,271,005
Profit for the period	-	444,809	-	444,809
Recognition of share-based payments	-	-	5,125	5,125
At 31 March 2009	28,884,38	(25,359,098)	195,654	3,720,939
At 1 October 2007	27,564,449	(18,344,580)	99,958	9,319,827
Loss for the period	-	(419,896)	-	(419,896)
Issue of share capital	5,751	-	(5,751)	-
Recognition of share-based payments	-	-	41,248	41,248
At 31 March 2008	27,570,200	(18,764,476)	135,455	8,941,179

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 MARCH 2009

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 March 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 September 2008 and considered together with any public announcements made by Buka Gold Limited during the half-year ended 31 March 2009 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in Accounting Policy

As at 31 March 2009, a number of accounting standards have been issued with applicable commencement dates subsequent to the period end. The expected impact of these accounting standards should not materially alter the accounting policies of Buka Gold Limited and its controlled entities at the date of this report.

The Group has not elected to adopt any new standards or amendments not yet effective.

2 SEGMENT INFORMATION

The primary reporting format for the group is business segments and its secondary format is geographical segments.

The Group has one reportable segment for both geographical and business formats being precious and base metals exploration located in Queensland, Australia.

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 MARCH 2009

3 REVENUE, INCOME AND EXPENSES

	CONSOLIDATED	
	2009	***2008***
	$	***$***
(a) Other revenue		
Bank interest	44,102	76,377
(b) Other income		
Gain on sale of property, plant & equipment	299,844	-
Hire of plant & equipment	46,800	174,740
Other	-	11,919
	346,644	186,659
(c) Other expenses		
Amortisation	-	198,593
Depreciation	166,883	182,576
Employee redundancy provisions	-	53,844
Staff benefits expense	100,125	149,008
Exploration expenditure expensed (i)	225,276	-
Write-down of assets (ii)	97,198	-
	589,482	584,021

(i) Following the decision by the Group to focus its exploration activities on the Mt Scotchy and Maryborough Basin projects, all exploration expenditures incurred in the current period have been expensed with the exception of exploration expenditures on the Mt Scotchy and Maryborough Basin projects, which have been capitalised.

(ii) The write-down of assets relates to the building at the mine site. Following the closure of the mine and the existence of an option from the local council to re-acquire the property for a nominal amount, the carrying value of the building has been written off.

(d) Finance costs		
Finance charges payable under finance lease and hire purchase contracts	1,200	-

4 DISCONTINUED OPERATIONS

With the core focus of the Company's activities now being the Mt Scotchy and Maryborough Basin exploration projects, the Board decided that the Company would cease mining at the Monkland mine and sell the Company's Monkland operations, related assets and the surrounding Gympie goldfield exploration tenements. The final gold pour from the Company's Gympie Eldorado operations took place in December 2008.

4 DISCONTINUED OPERATIONS (cont'd)

The Company has now commenced the sale of the related assets, including a large portfolio of freehold land, underground mining equipment and the CIP processing plant.

The results of the discontinued operations for the half-year until disposal are presented below:

	Note	*2009*	*2008*
		$	*$*
Revenue		2,008,338	2,465,801
Expenses (i)		(1,111,725)	(2,379,110)
Gross profit		896,613	86,691
Profit from discontinued operations before tax		896,613	86,691
Income tax	5	-	-
Profit from discontinued operations after tax		896,613	86,691

(i) Expenses include an amount of $98,571 in mine inventories written off as a result of the closure of the mining and processing operations.

5 INCOME TAX

As at 30 September 2008, the Group had $4,809,000 in unrecognised deferred income tax assets arising from tax losses. After deductions for the current year profit, the directors do not consider that the remaining deferred tax asset arising from prior year losses should be recognised in the financial statements as the recoverability is dependent upon the Group deriving sufficient future assessable income to enable the benefit of the deductions for the losses to be realised.

As at 30 September 2008, the Group had $295,000 in unrecognised deferred income tax liability largely associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been offset by deferred tax assets attributable to available tax losses.

6 CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2009	*2008*
	$	*$*
Cash at bank and in hand	1,167,180	1,549,727
Restricted cash deposits	1,385,501	1,361,430
	2,552,681	2,911,157

Restricted cash deposits include $1,360,996 held in a short term deposit account which has been pledged as security for a bank guarantee to cover the Group's mining rehabilitation obligations and cash deposits of $24,505 held with the Queensland Department of Mines and Energy for the Group's exploration permits.

7 ASSETS HELD FOR SALE

Following the cessation of mining and processing operations in December 2008, the Company has commenced the sale of the related assets, including a large portfolio of freehold land, mining equipment and the CIP processing plant.

During the half-year ended 31 March 2009, the Group realised proceeds from disposal of assets of $299,844 (31 March 2008: nil).

8 CONTRIBUTED EQUITY

	CONSOLIDATED	
	2009	***2008***
	$	***$***
Ordinary shares (i)		
Issued and fully paid	28,884,383	28,884,383

(i) Ordinary shares
Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movements in ordinary shares on issue

	No. of Shares	*$*
At 1 October 2007	57,730,000	27,564,449
Issued to Chairman	200,000	5,751
Exercise of options	5,100	3,315
Rights issue	13,457,798	1,345,780
Costs associated with the rights issue	-	(34,912)
At 30 September 2008	71,392,898	28,884,383
No movements	-	-
At 31 March 2009	71,392,898	28,884,383

Share Options
At the reporting date the following share options were outstanding:

i. Options over 500,000 unissued ordinary shares, having an exercise price of $0.50 per option, exercisable on or before 27 September 2010;

ii. Options over 800,000 unissued ordinary shares, having an exercise price of $0.32 per option, exercisable on or before 1 October 2010;

iii. Options over 750,000 unissued ordinary shares, having an exercise price of $0.42 per option, exercisable on or before 1 October 2010; and

iv. Options over 250,000 unissued ordinary shares, having an exercise price of $0.15 per option, exercisable on or before 23 March 2014.

9 SHARE-BASED PAYMENT TRANSACTIONS

Share Options
During the reporting period the Group Exploration Manager was granted options over 250,000 unissued ordinary shares, having an exercise price of $0.15 per option, exercisable on or before 23 March 2014.

The fair value of these options is 2.05 cents per option, measured at the grant date by an independent valuer using the Black-Scholes option pricing model taking into account the terms and conditions upon which they were granted.

The following lists the inputs to the model used for estimating the fair values of the share options at the date of grant:

	Exercise price - $0.15
Dividend yield:	Nil
Expected volatility:	120%
Risk free rate:	3.65%
Expected life of option	5 years
Weighted average share price at measurement date	4.16 cents

10 COMMITMENTS AND CONTINGENCIES

There are no changes to the commitments and contingencies disclosed in the most recent annual financial report.

11 EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to period end, the Company entered into a number of conditional sale agreements for sale of certain freehold properties. The sale agreements contain a number of conditions, and if satisfied, will result in gross proceeds of approximately $1,100,000. After anticipated costs associated with the sale, the total profit on sale is expected to be approximately $700,000.

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 consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and the performance for the half-year ended on that date; and

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

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

On behalf of the Board

David Hillier
Executive Chairman

5 June 2009

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Report on the Condensed Half-Year Financial Report

Scope

We have reviewed the accompanying half-year financial report of Buka Gold Limited (the company), which comprises the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, other selected explanatory notes and the directors' declaration, of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the period end or from time to time during the period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with 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 half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Buka Gold Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Buka Gold Limited is not in accordance with:

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and of its performance for the six months ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Gary Daniels
Partner
5 June 2009