BUKA
MINERALS LIMITED

Level 45, 2 Park St,
Sydney NSW 2000
Tel: +61 2 9264 5515
Fax: +61 2 9264 5656

BUKA MINERALS LIMITED

ASX ANNOUNCEMENT, 17 JUNE 2005

INVESTMENT IN ILUKA RESOURCES LIMITED; UPDATE

Iluka Resources Limited (Iluka)

Buka Minerals Limited (Buka, the Company), today lodged a substantial shareholder notice with ASX in relation to Iluka Resources Limited.

Buka co-ordinated and has participated in an investment syndicate which includes entities associated with Messrs Kerry Packer, Robert Champion de Crespigny, Ronald Walker, John Singleton, Mark Carnegie, John Wylie and Cornelis de Bruin. The Board of Directors of the principal investment vehicle, Kolsen Pty Limited, consists of Mr Ashok Jacob as Chairman and Messrs Champion de Crespigny, Walker, de Bruin, Singleton, Carnegie, Wylie and Richards.

The substantial shareholder notices filed today cover entities associated with each member of this group of investors, all of whom are considered to be associates. The notices reflect purchases up to the close of trading on 15 June 2005. Mr Packer's interests represent half of the total. As at the close of trading on ASX today, the collective holding of these entities is 16,885,470 shares, being 7.25% of Iluka's issued capital. Buka has invested approximately $5.0 million as part of this syndicate.

Buka Update

Buka recently announced it had reached agreement to acquire a 100% interest in the tenements covering all of the historic Gympie goldfield, from which 4 million ounces of gold have been extracted since 1867, in exchange for Buka shares issued at 30 cents to Mizuho and Investec, who will both become substantial shareholders. A major drilling program recently commenced, aimed at discovering new resources and reserves outside the existing mine workings in this under-explored and highly prospective goldfield. Gympie is planned to be the initial asset of a new listed gold company which will seek to take advantage of consolidation opportunities in the Australian gold industry.

Buka owns 25% of the large, high grade Lady Loretta zinc deposit north of Mt Isa. Lady Loretta is the largest undeveloped zinc resource in Australia, and work preparatory to a bankable feasibility study is underway.

Buka is also the largest shareholder in CopperCo Limited, at 17.8%. CopperCo is completing a feasibility study on development of a 15-20,000tpa copper mine and process plant based on the Lady Annie and Mt Clarke resources, adjacent to Lady Loretta.

The current major shareholder group in Buka (combined holding of 33%) comprises interests associated with Messrs Robert Champion de Crespigny and Ronald Walker and Carnegie, Wylie and Company (the Investor Group). Over the past 18 months, this Investor Group has taken control of the Board and management of the company and changed Buka's business from that of the traditional explorer / developer to being a resource sector finance and investment company, along the way investing new capital in February 2004 and investing again in June 2005.

The strategy is for Buka to be an investor in companies and projects, but not an operator of mines. In its initial two transactions, the acquisition of the secured bank debt of Gympie Gold Limited and the purchase of Iluka shares, Buka has sought to participate in and manage syndicates of investors in substantial transactions, while its own capital resources have been constrained. The major shareholders of Buka have on both occasions allowed the company the option to participate in the syndicates, after the initial transaction has been completed, at cost.

John Richards is Buka's Managing Director. Prior to his appointment in February 2004, John was the head of Standard Bank's Asia-Pacific Mining & Metals Advisory business and earlier spent 11 years with Normandy Mining Limited, where his final position was as Group Executive in charge of Corporate Development.

History of Buka Minerals

Buka was founded by Ike Schulman in 1969, to explore the island of Buka, located immediately to the north of Bougainville in Papua New Guinea. The company had a 12 year hiatus from 1984.

Triako Resources Limited recapitalized and re-listed the company in 1996 and later invited the current major shareholders into the company. Triako sold its 24.6% stake in Buka on 1 June 2005, ending a 21 year association.

For further information contact:

John Richards,
Managing Director

Phone: +61 (0)2 9264 5515
Mobile: +61 (0)414 885 976
E-mail: jr@buka.com.au