

Joint ASX Announcement
16 October 2009

Buka to Acquire Cauldron's Non-uranium Assets

Key points:

- **Cauldron has agreed to sell its 100% owned subsidiary Jackson Minerals, as well as other non-uranium exploration projects, to Buka Gold.**
- **Transaction will see Buka acquire equity in a range of projects in Australia, all highly prospective for a range of minerals including gold, nickel and base metals.**
- **Cauldron will become a major shareholder of Buka, with approx 13% of issued stock.**
- **Consideration for the acquisition is 10,458,935 Buka shares and A\$250,000.**

Australian resources company Buka Gold Limited (**ASX: BKG**) ("**Buka**" or the "**Company**") has significantly enhanced its portfolio of Australian assets, reaching agreement with fellow ASX listed company Cauldron Energy Limited (**ASX: CXU**) ("**Cauldron**") to acquire its 100% owned subsidiary Jackson Minerals Limited ("**Jackson**") and other projects in a cash/script deal valued at approximately A\$1 million.

Under the terms of the Share Sale Agreement ("**Agreement**"), Buka will pay Cauldron A\$125,000 and issue 10,458,935 ordinary shares in the Company within seven (7) days, with Buka to make a further payment of A\$125,000 on or before six (6) months from the execution of the Agreement.

The assets owned by Cauldron and to be transferred to Buka under the Agreement include:

- Kalgoorlie Regional Gold Project (Jackson)
- Crossroads Gold Project (Jackson)
- Kalgoorlie Nickel Project (Jackson)
- Peak Hill Project (Jackson)
- Northcote Gold Project (Jackson)
- Mt Elvire Project (Cauldron)
- Bardoc Project (Cauldron)
- Bungalbin JV (Cauldron)

A detailed description of all assets to be acquired can be found attached to this announcement.

Commenting on the acquisition Buka Executive Director Mr Gwynne said, "this acquisition will give the Company a new focus while we are determining the future of the Gympie mine operations. The Company remains committed to developing a strong gold portfolio and these projects deliver an extensive land package in highly prospective regions".

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Cauldron will continue to rationalise its portfolio of projects, focussing on the definition of uranium resources in Australia and Argentina.

“The assets sold to Buka were non-core and delivering very little value to Cauldron, a uranium focussed exploration company. With Buka investing in the exploration of these projects, we believe our equity maintains an interest in these projects that will achieve a much better return for shareholders” stated Mr Topping, Chief Executive Officer of Cauldron Energy.

Completion of this acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

1. completion of due diligence by Buka on Jackson and the tenements to the satisfaction of Buka; all necessary governmental consents and
2. approvals of the matters set out in the Agreement being obtained including the consent of the Minister under the Mining Act (if required) to transfer the tenements in accordance with the Agreement;
3. all third party approvals, consents and waivers of pre-emptive rights for the transfer of the tenements from Cauldron to Buka being obtained; and
4. a deed of assignment being executed by Jackson and Cauldron pursuant to which the Boolaloo Project and the Wallbrook Gold royalty rights are transferred from Jackson to Cauldron on terms acceptable to all parties.

If the conditions set out above are not satisfied (or waived) on or before 5.00pm (WST) on 31 December 2009, the Agreement will end and the parties will be released from their obligations under the Agreement. The parties will use their best efforts to ensure that the conditions precedent are satisfied as soon as practicable after execution of the Agreement.

Yours faithfully
Buka Gold Limited

Mark Gwynne
Executive Director

Cauldron Energy Limited

Brett Smith
Executive Director

For further information please contact:

Mark Gwynne
Executive Director
Buka Gold Limited
Tel: 08 9380 9555
Email: markg@bukagold.com.au

Terry Topping
Chief Executive Officer
Cauldron Energy Limited
Tel: 08 9211 5777

David Tasker
Professional Public Relations
Tel: 08 93388 0944/ 0433 112 936
Email: david.tasker@ppr.com.au

Key Project Summary

Kalgoorlie Regional Gold Project, WA (70-100%)

The Kalgoorlie Regional Gold Project (KRGP) is located in the golden triangle between the Golden Mile, Paddington Gold Project and Kanowna Belle gold mine, near Kalgoorlie in Western Australia. It also surrounds the Crossroads gold deposit, currently being drilled by Barrick.

In a separate agreement to the Crossroads earn in joint venture, Barrick retains the right to earn-in to any gold discovery made in the KRGP.

KRGP remains prospective for gold and nickel mineralisation. Buka intends to commence a full review of this key project.

Crossroads Gold Resource WA (Barrick earning 75%)

The Crossroads Deposit is located immediately west of the Kanowna Belle gold plant operated by Barrick and is being investigated as a potential feed source. Barrick has the right to earn 75% of the tenement if it commits to mining, with Jackson retaining a 25% beneficial interest. Barrick is continuing resource and mining studies on the Crossroads gold deposit.

Kalgoorlie Nickel Project, WA (70-100%)

The Kalgoorlie Regional Nickel Project covers a significant part of the Scotia Dome, host of Silver Swan/Black Swan and Scotia nickel mines and largely underexplored for nickel since the boom of the late 1960's. Buka believes nickel prices will stabilize in the near term and appreciate with the re-emergence of Chinese and Indian economies. The Company will consider the appropriate future for this project and may consider a farm out to a nickel producer.

Peak Hill Project, WA (20% - free carried to DTM)

During the June 2008 Quarter, joint venture partner Eagle Gold (a London based company) went into receivership. Jackson is yet to hear from the Receiver/Administrators regarding the future of the project.

The joint venture area includes approximately 1000 sq km of mineral leases and applications, and contains several exciting exploration plays. These include the Forrest Gimp gold discovery (best RAB drill intercept of 22m at 2.51 g/t Au) located 12 km from the Fortnum treatment plant.

Potential also exists for iron ore deposits within the Robinson Range Banded Iron Formation in the southern part of Peak Hill Mineral Field. During Eagle Gold's reign as Managers of the project, they entered into a Farm-in agreement with Pepinnini Minerals Limited for iron ore mineral rights which include four Jackson leases in the Peak Hill Joint Venture (leases E51/1033, E52/1613, E52/1670, E52/1672).

Mount Elvire Project, WA (100%)

The Mount Elvire Project, 210 km north of Southern Cross, comprises one granted exploration license covering 120 sq km. The project has the potential to host iron ore within strongly deformed Banded Iron Formations with field mapping and sampling returning iron values up to 60%.

Northcote Project, QLD (15% - free carried to Decision to Mine)

The Northcote Project in far north Queensland contains a gold and antimony resource (see Republic Gold Ltd web site- <http://www.republicgold.com.au/>).

Majority owner Republic Gold Limited is continuing to explore and assess the economic viability of these resources.

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