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# **Buxton Resources Limited (ASX:BUX)**

# "Compelling Ni-Cu sulphide drill targets at Zanthus"

September 2013

## Key Investment Highlights

- Significant land position in Fraser Range Nickel Province
- Drilling compelling nickel-copper targets with attractive geology
- Systematic and cost effective exploration approach
- Supportive and financially strong major shareholder
- Experienced board and management team
- Tight capital structure and strong cash position
- Low Enterprise Value and significant leverage to exploration success

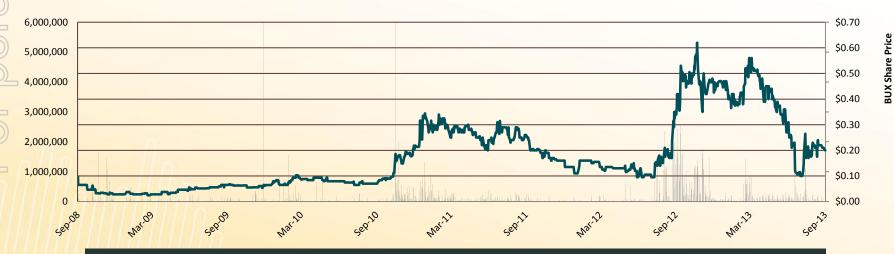


	Buxton Resources Limited				
	ASX Code	BUX, BUXO			
$\bigcirc$	Shares on Issue <sup>1</sup>	54.5 million			
0SD	Options on Issue	14.8 million			
	Market Cap. (at \$0.20)	\$10.9 million			
	Cash (30 June 2013)	\$3.8 million			
M	Debt	Nil			
	Enterprise Value	\$7.1 million			

#### Shareholders

National Business Holdings	15.90%
Montezuma Mining (MZM)	4.4%
Тор 20	60.1%

In addition 500,000 performance shares are also on issue



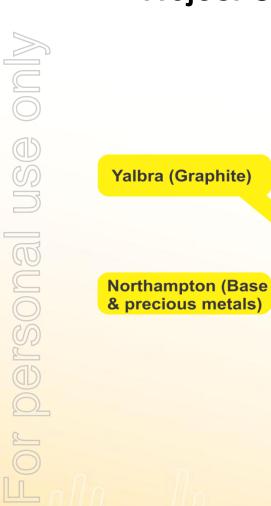
#### **Board & Management**

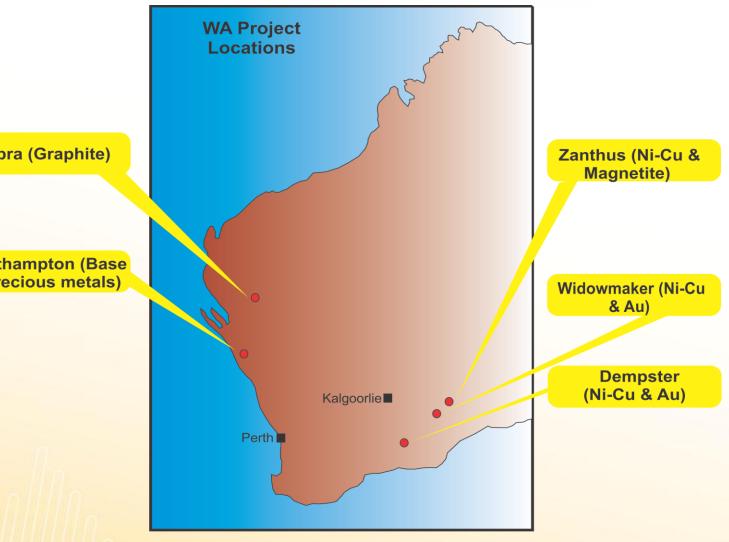
e only	Seamus Cornelius Non Executive Chairman	Mr Cornelius brings to the Board 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius has been living and working as a corporate lawyer in China for 17 years. He has been based in Shanghai and Beijing since 1993. From 2000 to 2010 he was an international partner with one of Australia's leading law firms and specialized in dealing with cross border investments, particularly in energy and resources. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years has advised Chinese state owned entities on their investments in natural resource projects outside of China including in Australia.			
For personal us	Anthony Maslin Managing Director	In his six years as a stockbroker at Hartley Poynton in Perth, Mr Maslin was instrumental in the capital raisings and promotion of several resource development companies. In the subsequent seven years in his role as founding Managing Director of Solar Energy Systems Ltd (Now Solco Ltd (ASX Code: SOO)) he had significant experience in capital raisings and management of both people and projects. Mr Maslin has also worked as a corporate promotion consultant to a number of listed companies. He has held the position of Managing Director of Buxton Resources since December 2010.			
	Dr Julian Stephens Non Executive Director	Dr Stephens has extensive experience in the resources sector having spent in excess of 18 years in board, executive management, senior operational, and economic geology research roles for private and public companies. Dr Stephens holds a PhD from James Cook University, Queensland and is a member of the Australian Institute of Geoscientists (MAIG), and the Society of Economic Geologists.			
	Stuart Fogarty Non Executive Director	Mr Fogarty has over 19 years of exploration experience with BHP Billiton and Western Mining Corporation. Until recently, he was BHP's Senior Exploration Manager for North and South America. Mr Fogarty has a very strong background in nickel exploration, having commenced his career at Kambalda Nickel in 1994. He has held senior roles with BHP including Senior Geoscientist for nickel exploration in the Leinster and Mt Keith region, Project Manager WA Nickel Brownfields and Regional Manager Australia – Asia where he was responsible for a \$100 million per annum exploration budget.			
	Xingzhou Liu Non Executive Director	Mr. Liu brings over 16 years of experience working in senior finance roles with major Financial institutions and diversified industrial and investment companies in China and the United States. Mr. Liu is the Deputy General Manager of National Business Holding Co. Ltd, a substantial shareholder in Buxton Resources, and is responsible for managing NBH's corporate and financial strategy. Previously Mr. Liu worked as the financial controller of a large California based multi-national manufacturing and trade group Aelous Down Inc and held the position of Deputy Manager of International Trade for China Bank of Communications, a major Chinese financial institution.			

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#### **Project Overview**







Strong WA project pipeline

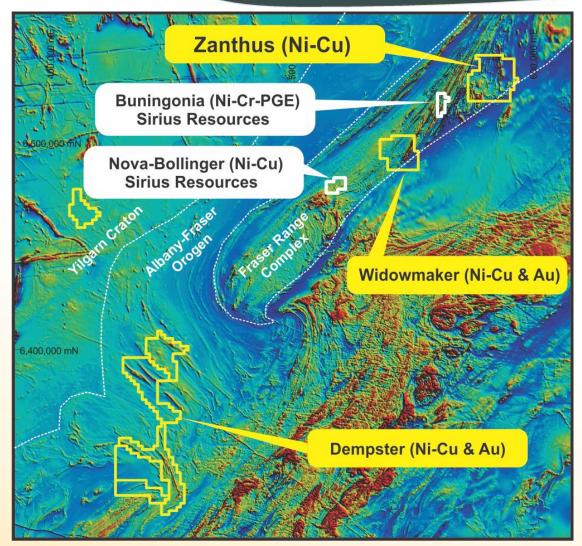
# **Strategic Fraser Range Position**

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1,844km<sup>2</sup> ground position in and around the Albany-Fraser Orogen

Strategic ground position in the Fraser Range with Zanthus and Widowmaker

New Ni-Cu & Au project emerging at Dempster



**BUXTON RESOURCES** 

One of the largest Fraser Range ground positions in a listed company

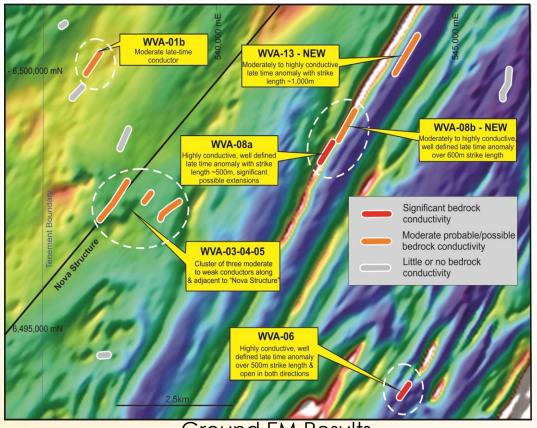
## Widowmaker Ni-Cu Project

#### **Recent exploration:**

- June 2013 RC Drilling of 8 ground EM targets
- All targets explained as graphite / pyrite
  - Gold intercept of 4m @ .36 g/t Au
- Airborne and ground EM
  techniques validated

#### Next steps:

- Calcrete sampling program to follow up gold potential
- Knowledge gained to be applied at Zanthus



**BUXTON RESOURCES** 

Ground EM Results

#### Stage 1 of a systematic Fraser Range exploration program



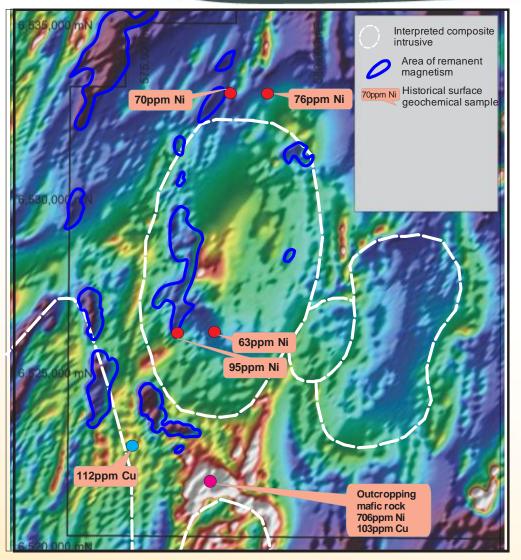
#### Zanthus Magnetics & Geochemistry

Four - five separate interpreted intrusive bodies

Positively and negatively (remanent) polarised magnetic signatures suggest multiple magma pulses

Historical sampling shows two areas of Ni and one area of Cu anomaly

- Confirmed outcropping mafic rocks
- Similarity to Voisey's Bay and Norilsk complexes



Interpreted intrusive bodies and anomalous geochemistry

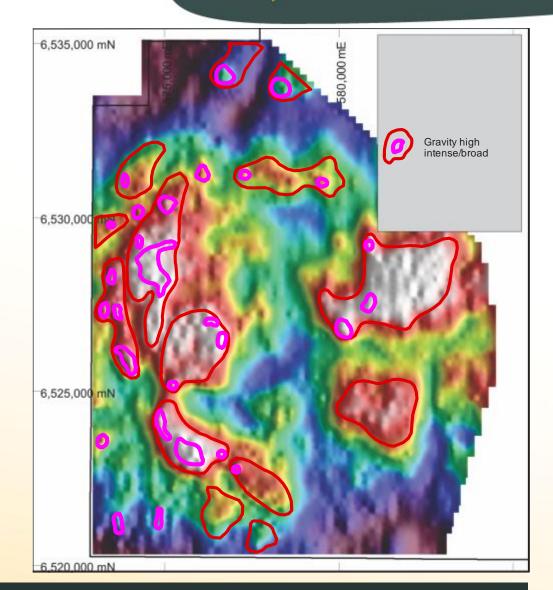
# **BUXTON RESOURCES**

# Gravity

- Multiple gravity anomalies
- Numerous areas of coincident remanent magnetism and/or surface geochemical anomalism
- A number of gravity anomalies associated with interpreted intrusive bodies

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One gravity anomaly confirmed in the field as mafic rock with anomalous Ni and Cu



Multiple gravity anomalies and confirmed mafic rocks



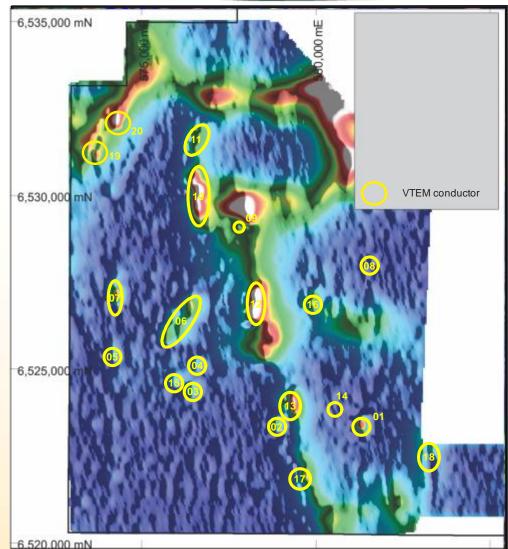
# **VTEM Targets**

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Total of 20 conductors identified to date, with 13 classed as high priority

Compelling horizontal and shallowly dipping conductors associated with gravity highs and possible intrusive bodies

- Highest priority targets include ZV01, ZV08,ZV16 & ZV05.
- VTEM will not always penetrate to target depths



#### Complex, Highly Prospective Geology



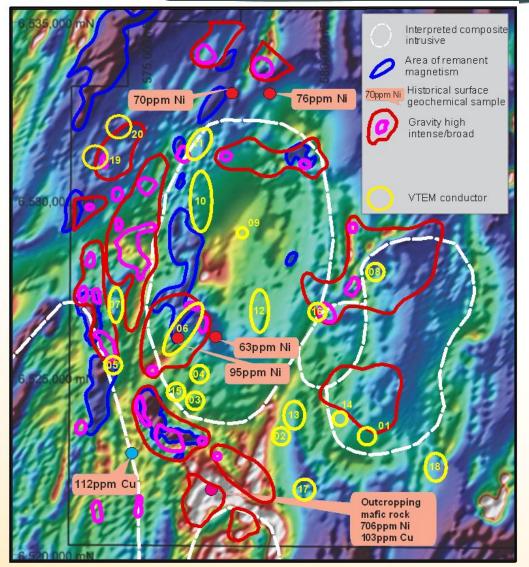
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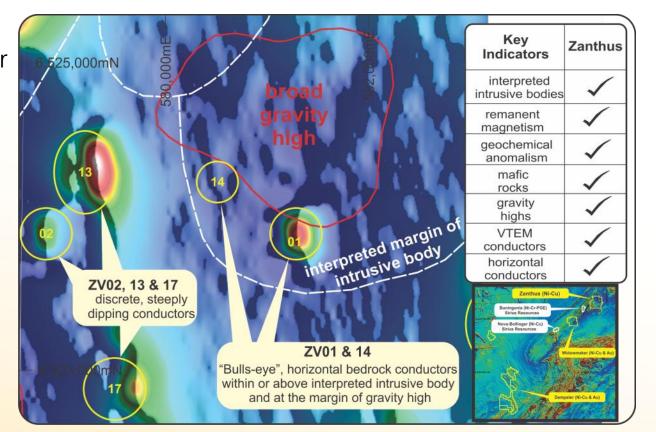


#### **Compelling Targets**

• ZV01 & ZV14 - within or above interpreted intrusive

> On margin of gravity <mark>high</mark>

Horizontal and complex-shaped VTEM conductors



#### "Bulls-eye" target

### Forward Works Program

Systematic ground EM survey over all high priority targets has commenced

Detailed surface geochemical sampling has commenced

Initial RC drill program to test highest priority targets planned for Q1 2014

Ongoing systematic work to follow



Complex and highly prospective geology = ongoing program



# **NBH - Strategic Partnership**

#### September 2012

Buxton completed a strategic capital raise of ~\$2.1 million with China based National Business Holdings (NBH)

- Placement of 15% shares at \$0.25 to raise ~\$1.5 million
- \$600,000 licensing fee for NBH to exclusively market the Zanthus Magnetite Project to prospective project partners/purchasers for next 15 months

NBH progressing discussions with potential project partners for Zanthus Magnetite

#### March 2013

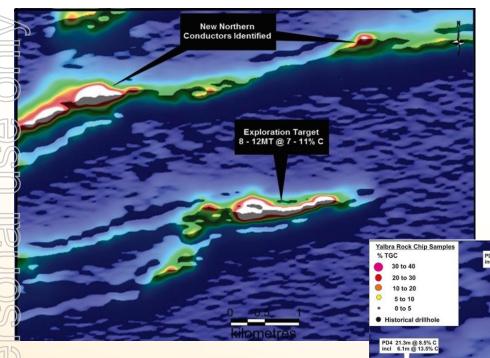
Capital raising of \$2.3 million completed

- 5,000,000 shares at \$0.46
- Further uptake from NBH, along with Hong Kong based resources fund, private equity firm and institutional/sophisticated investors

#### Well funded exploration programs & value adding relationship

#### Yalbra Graphite Project





**Planned exploration:** 

define drill targets

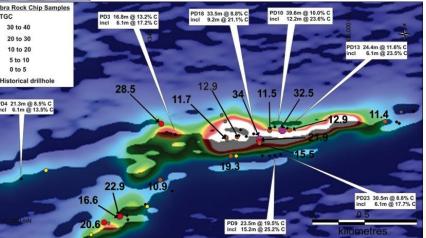
season

Further modelling of EM data to

Drill program to follow this drilling

#### Summary

- Exploration Target of 8 12 Mt @ 7 11% TGC\*
- High Grade rock chips up to 34% TGC
- From surface
- No metallurgical work done at depth
- Drill ready.



\* The potential quality and grade of the Yalbra Exploration Target is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

#### Significant high grade graphite mineralisation confirmed

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## Zanthus Project - Magnetite

Strong infrastructure access

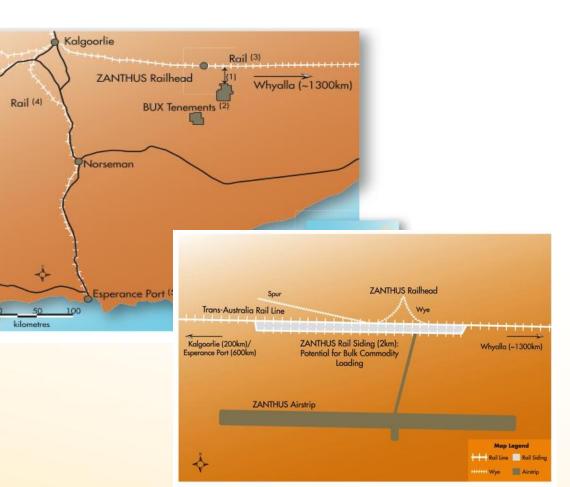
Superior metallurgy - amongst the best in Australia : 68% Fe grade @ 150 micron

Initial inferred JORC resource of **103.6Mt at 26.5% Fe** 

Global exploration target of 0.7 – 1.3 billion tonnes @ 22-32% Fe\*

NBH is progressing discussions with potential project partners for Zanthus Magnetite

# NBH exclusive marketing right expires December 2013.



Significant value to be realised

\*The potential quality and grade of the Zanthus Exploration Target is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

#### **Investment Summary**



- Highly prospective project portfolio focused on the Fraser Range Complex
- Strategic partnership with NBH significant value to be realised from Zanthus Magnetite and potentially other projects including graphite at Yalbra
- Very tight capital structure = excellent leverage
- Cash position of circa \$3.8 million well funded to execute upcoming drilling programs at Zanthus and Yalbra projects

#### Contact



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#### **Table of VTEM Conductors**

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Name	Priority	East_MGA51	North_MGA51	Description
ZV01	1	581260		Strong bedrock conductor near the margin of a gravity high. Irregular shape and orientation - dip direction changes between lines, plunges to the south. Possible near surface expression on L1460 (581000mE). Weaker response L1490 and L1480. Strong response L1470 and peak response L1460.
ZV02	1	578840	6523400	Discrete anomaly near shearzone, L1460. Single line anomaly, appears late in time (bedrock response) with a near verical dip.
ZV03	1	576430	6524400	Discrete, late-time anomaly L1420. Requires ground TEM follow-up.
ZV04	1	576550	6525150	Discrete, late time anomaly L1390. On the edge of a broader flat conductor. Requires ground TEM follow-up to confirm.
ZV05	1	574170	6525400	Discrete , anomaly on the flank of a broader (?stratigraphic) response, line L1380. Located on the margin of a localised gravity anomaly.
ZV06	1	576380	6526900	Large strongly conductive zone from L1360 to L1320 striking NE ~ 1.4 km in length. Coincident with magnetic remanence and gravity target Z-06. Response varies strongly along strike, shallow response on line 1320 - test with ground TEM.
ZV07	1	574200	6527150	Conductive zone striking N-S for ~500m. Strong response on L1310 and weaker response on L1320 and off-line response on L1300. Located near regional shear.
ZV08	1	581520	6527900	Steeply dipping and near-surface bedrock conductor. L1270 (581485mE) steep easterly dip. L1280 (581520mE) sub-vertical. Close to folded magnetic sequence, high gravity response and regional shear zone.
ZV09	2	577750	6529150	Small single peak anomaly on the margin of larger surficial conductor. Possibly system noise - requires confirmation?
ZV10	1	576610	6530150	N-S striking anomaly over 1.3km on the margin of gravity target Z-05. Bound by regional shears. Test line 1190 (shallowest response) with ground TEM.
ZV11	1	576450	6531650	Steep east dipping conductor, lines L1130 and L1140. Possibly a stratigraphic conductor with a very large depth extent. Located on the margin of a strong gravity anomaly. Shallowest and strongest response L1130 - test with ground TEM
ZV12	2	578165	6526650	Very conductive zone on the margin of what is a larger, possibly stratigraphic, conductor - test with ground TEM L1330
ZV13	2	579220	6523900	Strong steep (easterly) dipping conductor on regional shear, strong and broad response on lines L1440 and L1430 - possibly stratigraphic, test with ground EM on L1440
ZV14	1	580500	6523900	Discrete, weakly to moderately conductive response on L1440. Located along the margin of a high gravity response
ZV15	1	575890	6524650	Discrete, late-time anomaly L1410. Requires ground TEM follow-up.
ZV16	1	579870	6526900	Discrete, late-time anomaly line L1320. Bound by regional shears with coincident localised gravity anomaly.
ZV17	2	579522	6521900	Likely stratigraphic conductor, close to surface and dipping east. Test with ground TEM L1520.
ZV18	2	583200	6522700	Likely stratigraphic conductor, extends >2km in strike length in N-S direction. Thick, shallow and steeply dipping with very large depth extent (?conductive sediment). Strongest response L1490. Could be modelled and drilled with VTEM data if considered of interest.
ZV19	2	<mark>573580</mark>	6531150	Possible thick stratigraphic conductor or multiple conductors? Located near folded magnetic sequence and discrete gravity anomaly. Requires ground TEM is considered of interest.
ZV20	2	574200	6532150	Possible stratigraphic conductor? Located near broad gravity high (thin cover?). Possibly part of a broader response that include ZV19 as part of a thick conductive sediment?

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#### **Competent Person Statement:**

The information in this report that relates to exploration results and exploration targets is based on information compiled by Dr Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director for Buxton Resources Limited. Dr Stephens has sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

**Competent Person:** The information in this report that relates to the Mineral Resources for the Cohen Deposit is based on information compiled by Mr Kevin Lowe (MAusIMM) under the supervision and guidance of Mr Trevor Stevenson (FAusIMM (CP)), who are both full-time employees of Runge Limited. Trevor Stevenson has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC, 2004). Trevor Stevenson consents to the inclusion in this report of the matters based on the information in the form and context that the information appears.