

ASX Release

8 October 2014

Quarterly Activities Report for the period ending 30 September 2014

Highlights

Zanthus Ni & Cu – Fraser Range

- ~1,500m RC drill program targeting compelling, strong MLTEM bedrock conductor at Oaktree North, along strike from early magmatic nickel sulphides previously intersected at Oaktree South due to begin around mid October 2014
- Four additional targets to be drilled, including one with previously intersected nickel sulphides (Target ZV07)
- 'Fertile' environment confirmed for discovery of Ni-Cu sulphide mineralisation: right mafic-ultramafic rocks and right sulphides
- Regional MLTEM program targeting deeper conductors in the favourable "Oaktree Structural Corridor" also to commence shortly

Yalbra Graphite – Gascoyne Region

- Combined 2,476m RC & diamond drilling program at the Yalbra Graphite Project completed in July
- Very wide and high grade intercepts including 127m @ 13.4% TGC (down-hole length)
- Results show new, wide zone of graphite and extend mineralisation along strike to the west
- JORC resource estimate update work well advanced and expected to be completed shortly
- Metallurgical test-work program commenced in August 2014
- Scoping study to commence on completion of metallurgical test-work program

Corporate

- Buxton successfully raised \$1.6 million for high impact Fraser Range Ni-Cu drilling & the Yalbra Graphite Project
- Share Purchase Plan (SPP) to raise up to a further \$1 million
- Cash balance (30 September 2014) of \$2.3 million (excludes SPP amounts)

For personal use only

Zanthus – Fraser Range (100% BUX)

The Company's 100% owned, highly prospective Zanthus Ni-Cu Project is located 60km along strike from Sirius Resources' Nova-Bollinger Ni-Cu discovery in the Fraser Range Nickel province, Western Australia.

In early July, the Company completed a new MLTEM survey to cover the ~1km strike length of the VTEM/MLTEM conductors associated with magmatic nickel-copper sulphides at Oaktree (Figure 1). The survey identified a higher conductivity response to the north that could represent massive or semi-massive nickel-copper sulphides.

Modelling of MLTEM data shows two possible conductor geometries at Oaktree North. The Company plans to test the newly defined conductor(s) at Oaktree with ~1,500m of RC drilling shortly. Additional encouraging targets identified during Buxton's maiden Ni-Cu drilling program in 2014 will also be tested (Figure 2).

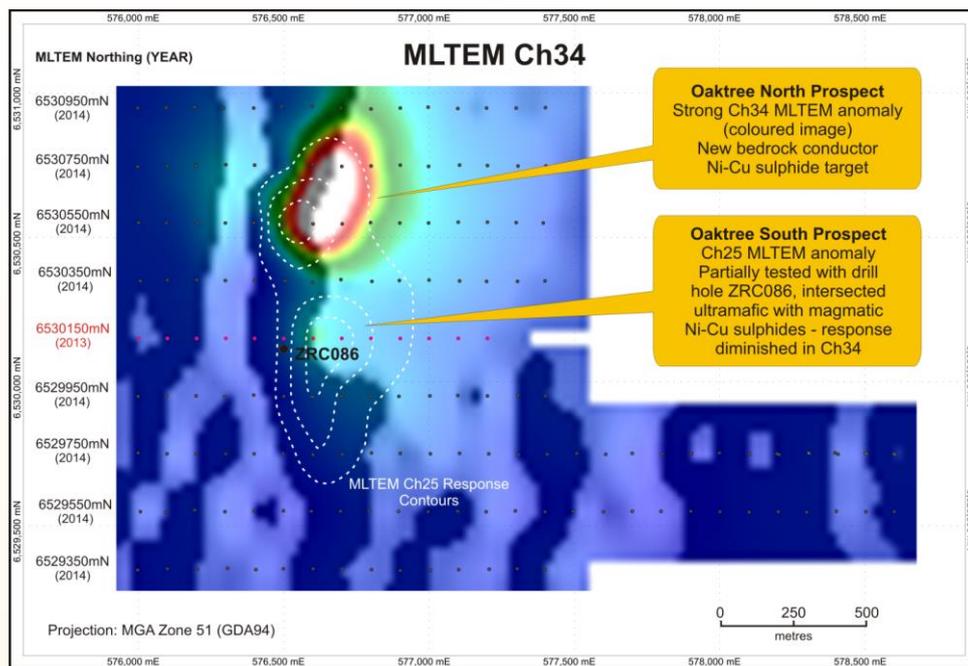


Figure 1. Oaktree Prospect (previously ZV10) showing MLTEM lines from 2013 & 2014, location of drill hole ZRC086 that intersected magmatic nickel-copper sulphides, MLTEM Z component Channel 25 (18msec) contours, over MLTEM Z component Channel 34 (125msec) image showing the strong bedrock conductor at Oaktree North.

On 15 September 2014, Buxton confirmed that planning, permitting and engagement of the drill contractor was complete for the RC drill program. Drill pad clearing and access track construction is underway and drilling is expected to begin on or around mid October 2014.

For personal use only

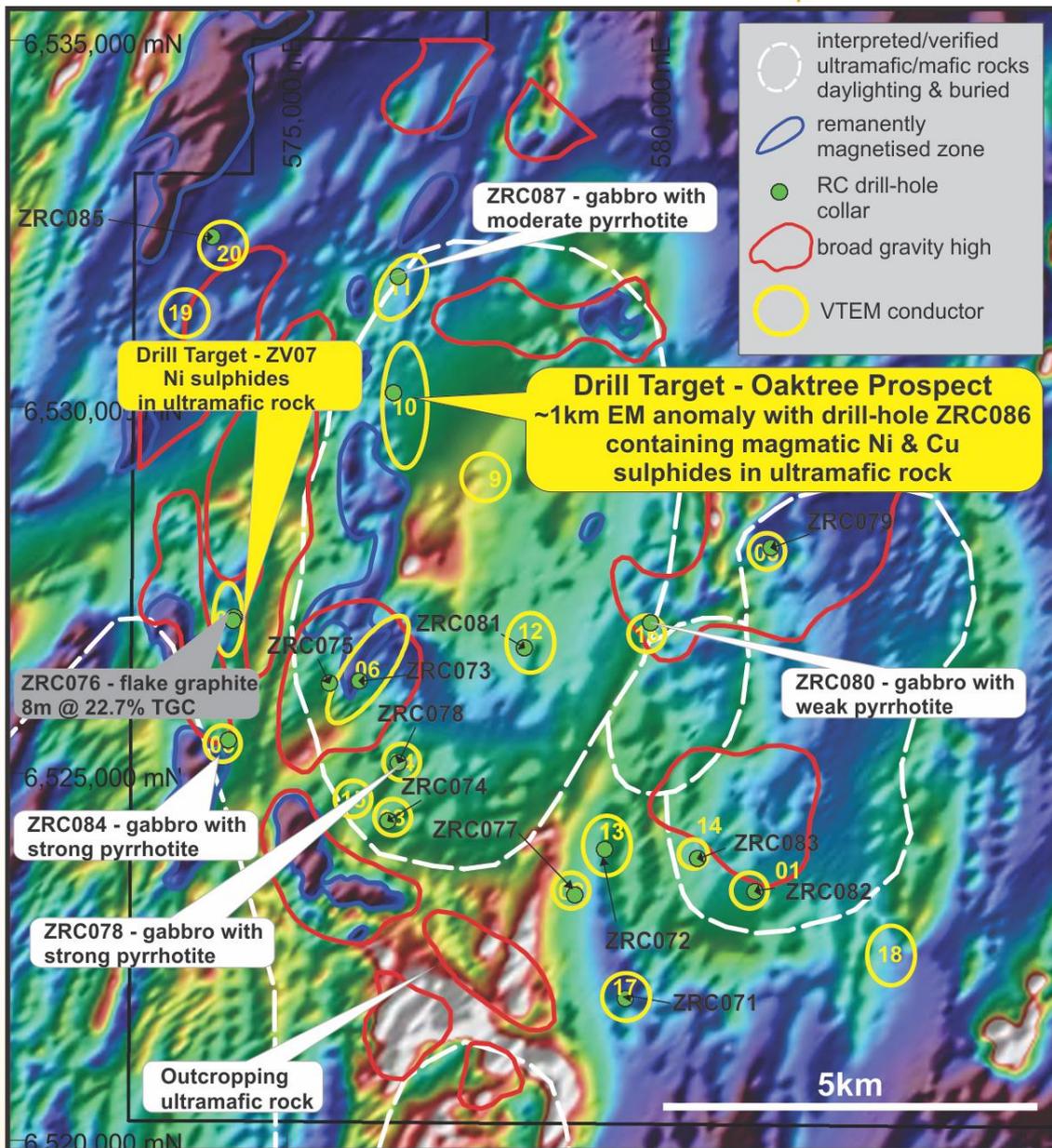


Figure 2. Location of 2014 RC drill-holes over airborne magnetics with gravity and EM features indicated.

Yalbra Graphite Project – Gascoyne Region (85 - 100% BUX)

On 25th July the Company advised that it had successfully completed its RC & diamond drilling program at the Yalbra Graphite Project and provided results for 4 of the 17 drill-holes. Drilling has confirmed and extended graphite mineralisation defined in the 2013 drilling program. Of particular note is the identification of a new and very wide zone of graphite in drill-hole YBRC028 which returned a down-hole intercept of 127m @ 13.4% TGC (Figures 3, 4 and 5). This intercept remains open, with the hole having finished in 1m grading 28.9% TGC. Additionally, intercepts in YBRC029 show that graphite mineralisation extends west of the currently defined resource area. The major zones of graphite mineralisation are also generally open in most positions along strike to the west, and at depth.

On 5th August, Buxton provided results from a further 7 drill-holes and stated intercepts in YBRC019 and YBRC023 confirm high grade graphite mineralisation continues along strike to the west of the currently defined resource area and remains open.

For personal use only

On 21st August, the Company reported the final batch of results from the drilling program. Results from diamond core drill holes continued to show multiple, parallel high grade zones within the main zone of mineralisation (Figures 3, 4, & 5). Additionally, the drilling program extended mineralisation in excess of a further 200m to the west of the existing JORC resource.

An updated resource estimate will commence shortly now that all drilling results have been received. It is expected that the total tonnage will increase from the current inferred resource of **2.27 million tonnes @ 20.1% TGC**.

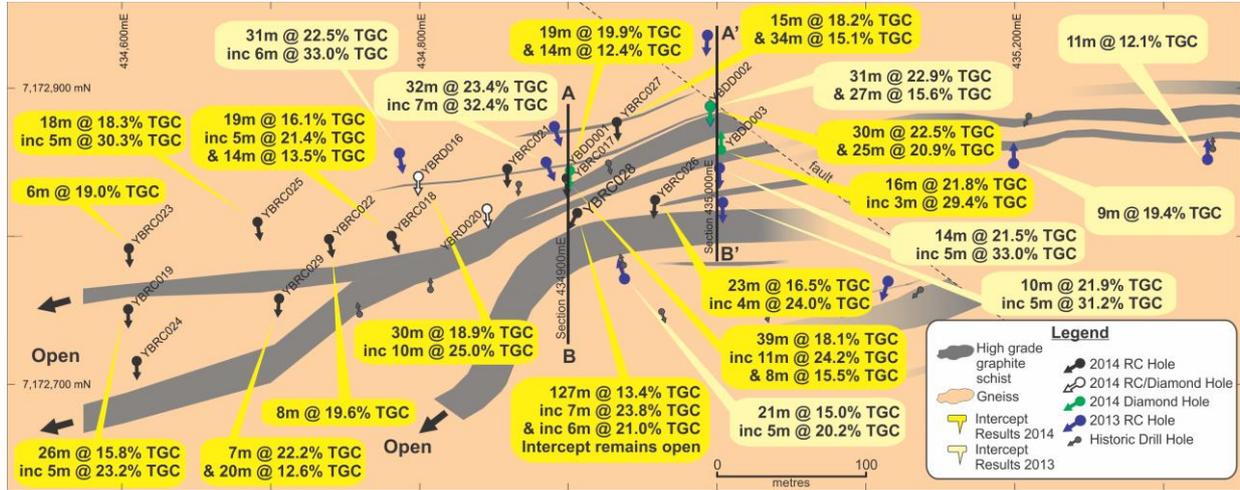


Figure 3. Simplified map of Main Zone at Yalbra showing substantial intercepts of very high grade graphite.

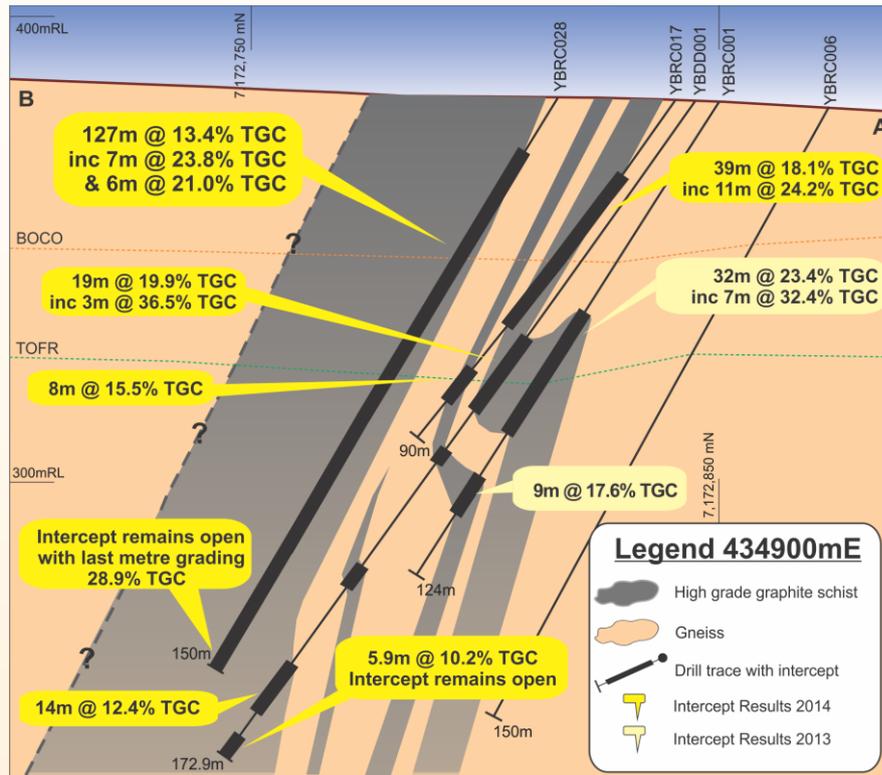


Figure 4. Cross-section 434900mE showing substantial intercepts from 2013 & 2014 drilling programs

For personal use only

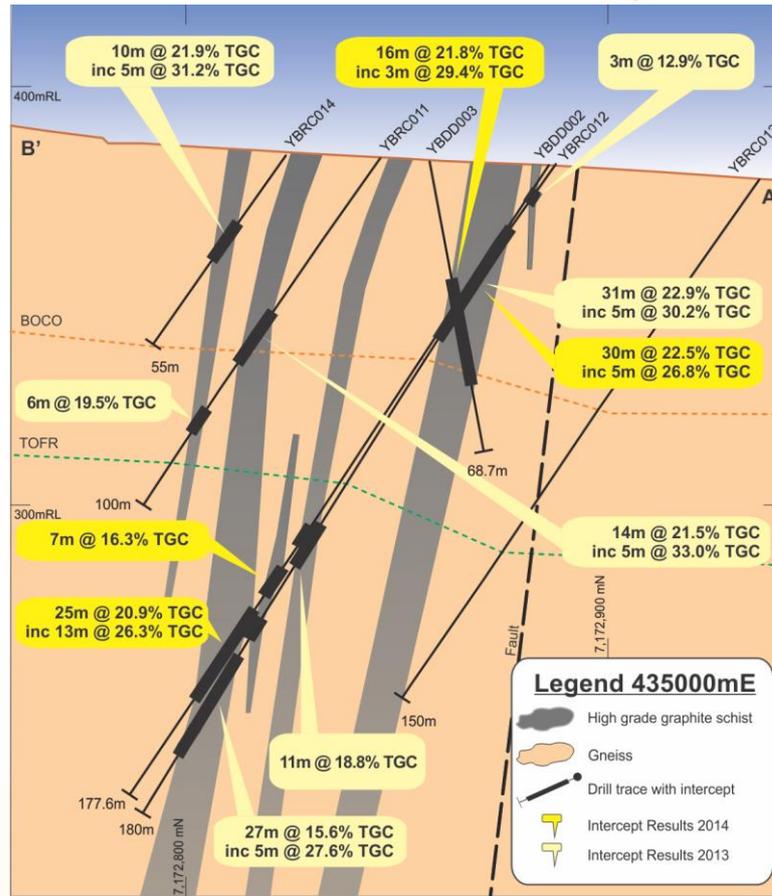


Figure 5. Cross-section 435000mE showing substantial intercepts from 2013 & 2014 drilling programs

On 2nd July, Buxton announced that it had applied for a further exploration licence of 93km² covering the area to the east, along strike from the Main Zone. The new application provides Buxton with access to 35 kilometres of prospective strike length that includes several prospects with graphite mineralisation identified at surface.

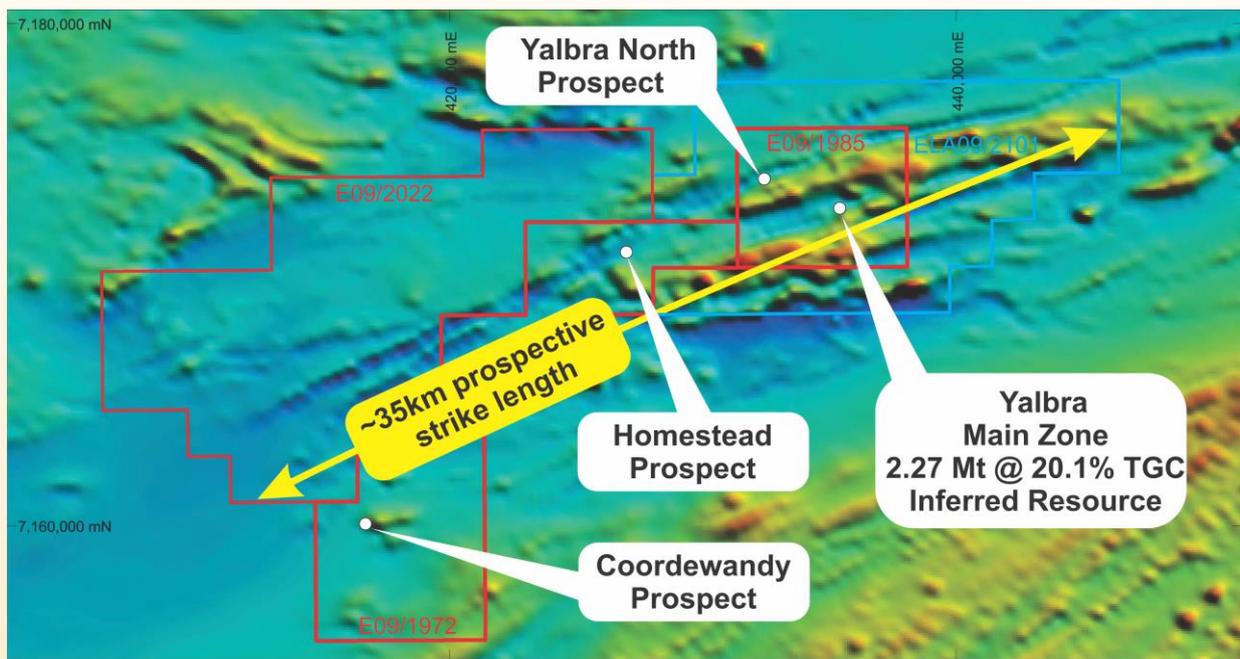


Figure 6. Tenement map showing existing (red) and new (blue) Yalbra tenements.

Corporate

On 12th September, Buxton announced that it had successfully raised approximately \$1.6 million in a Placement to sophisticated and professional investors through the issue of approximately 8 million new shares at 20 cents per share. Hartleys Limited was Broker to the Offer.

In addition to the Placement, Buxton has offered eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP) to raise a maximum of \$1,000,000 under the same terms as the Placement.

Funds raised pursuant to the Placement and SPP will be used to fund:

- Drilling at its high priority Oaktree North Prospect, further RC and aircore drilling of nickel-copper targets and further EM surveys at the Zanthus Ni-Cu Project in the Fraser Range;
- Further drilling, resource estimation and metallurgy work at the Company's Yalbra Graphite Project in WA, and for working capital purposes.

Buxton's Chairman, Mr Seamus Cornelius commented: "We are very pleased by the overwhelming interest received for the Placement and we are pleased to offer eligible shareholders the opportunity to participate in the SPP."

"The strong signal of support from existing and new shareholders is a strong validation of Buxton's assets and strategy. We look forward to embarking on high impact nickel-copper exploration in the Fraser Range soon and significantly advancing the very high grade Yalbra Graphite Project."

Cash balance as at 30 September 2014 of \$2.3 million sees Buxton well-funded into 2015 after a successful capital raising. The Company notes that further amounts raised under the Share Purchase Plan are not included in this figure.

For further information please contact:

Sam Wright

Company Secretary

sam@buxtonresources.com.au

Competent Persons

The information in this report that relates to exploration results and geology is based on information previously compiled and/or reviewed 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 2012 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. There have been no material changes to the information reported in the previous reports.

The information in this report that relates to in-situ Mineral Resources is based on information compiled by David Williams of CSA Global Pty Ltd and previously reported 25/2/2014. David Williams is a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). David Williams previously consented to the inclusion of such information in the previous report in the form and context in which it appeared. There have been no material changes to the information reported in the previous report.

**Appendix: Changes in interests in mining tenements - Buxton Resources Ltd
01/07/14 - 30/09/14**

Interests in mining tenements relinquished, reduced or lapsed	Tenement	Location	% at beginning of quarter	% at end of quarter
	ELA 28/2395	Zanthus	100	0
ELA 28/2396	Zanthus	100	0	

Interest in mining tenements acquired or increased				

The mining tenements held at the end of the quarter and their location	Tenement	Location	% at beginning of quarter	% at end of quarter
	E 28/2201	Zanthus	100	100
E 28/1959	Zanthus	100	100	
E 63/1595	Dempster	100	100	
E 63/1582	Dempster	90	90	
ELA 63/1675	Dempster	100	100	
ELA 63/1676	Dempster	100	100	
ELA 63/1677	Dempster	100	100	
ELA 63/1684	Dempster	100	100	
ELA 63/1685	Dempster	100	100	
ELA 63/1686	Dempster	100	100	
ELA 63/1687	Dempster	100	100	
ELA 63/1688	Dempster	100	100	
E 09/1985	Yalbra	85	85	
E 09/1972	Yalbra	90	90	
E 09/2022	Yalbra	100	100	
ELA 09/2101	Yalbra	100	100	
ELA 66/87	Northampton	100	100	
ELA 66/88	Northampton	100	100	
ELA 70/4563	Bridgetown	100	100	
ELA 77/2237	Yilgarn	100	100	
ELA 77/2238	Yilgarn	100	100	
E 28/2201	Zanthus	100	100	
E 28/1959	Zanthus	100	100	

Abbreviations and Definitions used in Tenement Schedule:

E Exploration Licence

ELA Exploration Licence Application

For personal use only