BUXTON RESOURCES

ASX Release **27th April 2015**

BUXTON TO ACQUIRE 100% OF ADVANCED DOUBLE MAGIC NICKEL PROJECT

Highlights

- **Located in the Kimberley in a mirror tectonic position & within similar age mafic-ultramafic rocks as the Savannah Mine of Panoramic Resources Ltd (ASX: PAN) (3.1Mt @ 1.5% Ni, 0.9% Cu & 0.08% Co)**
- **Numerous strong EM conductors within a 2km^2 central area**
- **EM conductors shown to be due to nickeliferous sulphides (not graphite or barren iron sulphides)**
- **Historic drilling results include 3m @ 1.3% Ni & 0.2% Cu with 1m @ 2.0% Ni & 0.2% Cu**
- **Addition of Double Magic substantially enhances Buxton's portfolio of highly prospective nickel exploration projects which include tenement packages in the Fraser Range (Zanthus and Widowmaker) and the Grass Patch Complex near Mount Ridley (Dempster)**

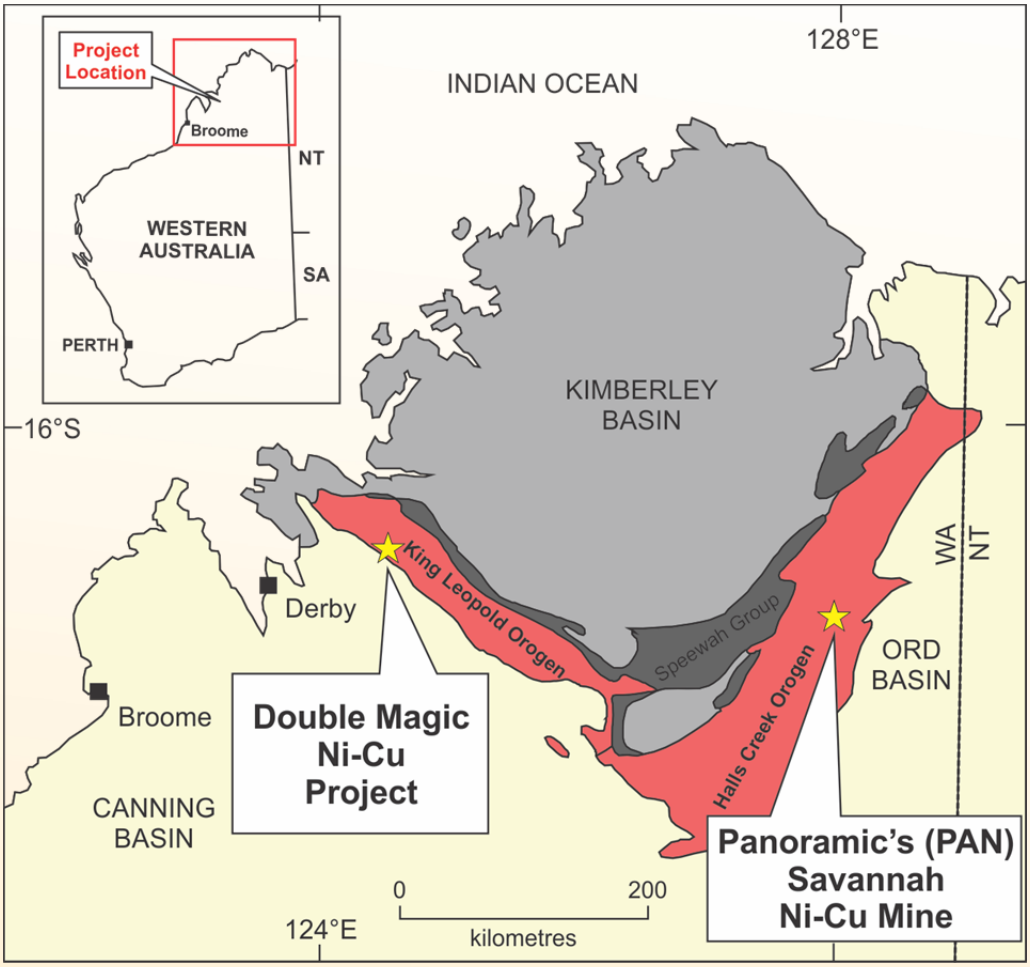

Figure 1. Location of the Double Magic Ni-Cu Project in the Kimberley region of Western Australia. Also shown is the location of Panoramic's Savannah Ni-Cu Mine.

PO Box 9028
Subiaco WA 6008

Suite 1, First Floor
14-16 Rowland Street
Subiaco WA 6008

Tel: 08-9380 6063
Fax: 08-9381 4056

www.buxtonresources.com.au
info@buxtonresources.com.au

Buxton's CEO Mr Eamon Hannon commented, "The Company is excited to be adding Double Magic to its nickel portfolio. Buxton is now in an envious position with three separate, highly prospective nickel projects, which as well as Double Magic include vast tenement packages in the Fraser Range (Zanthus, Widowmaker) and the Grass Patch Complex near Mount Ridley (Dempster).

We look forward to a busy year ahead with our experienced and proven technical team of Dr Julian Stephens and Mr Derek Marshall testing and advancing our world class exploration portfolio."

Summary

Buxton Resources Limited (ASX: BUX) is pleased to announce it has executed agreements to acquire a 100% interest in the Double Magic Nickel Project in the Kimberley region of Western Australia. The project contains at least three existing, "walk-up" drill targets that were either untested or only partially tested by previous drilling. Additionally, re-interpretation of geological and geophysical datasets by Buxton's consultants and experienced geological team has shown two separate eye-like features that are due to the presence of the nickel host lithology, the Ruins Dolerite. Significant further zones of Ruins Dolerite and numerous, untested VTEM conductors occur within the project area and add substantial regional exploration potential.

Buxton has agreed to acquire a 100% interest in the four highly prospective tenements (the Double Magic Nickel Project totaling ~93km^2) in return for issuing the vendors 1,666,666 fully paid Buxton shares. In addition, Buxton will issue the vendors up to three tranches of milestone shares when specific technical hurdles are met (total cumulative value of all three tranches is approximately $120,000). The acquisition agreement is subject to a 14 day due diligence period (see Schedule 1 for detailed acquisition terms).

Regional Geology

The Double Magic Project lies within the King Leopold Orogen which is comprised of Palaeoproterozoic schists and igneous rocks of the Hooper Complex and the deformed margins of the Speewah and Kimberley Basins (Figure 1). Within the Hooper Complex, schists of the Marboo Formation are intruded by thick sills of Ruins Dolerite (Figure 2).

Sills of the Ruins Dolerite host the known nickel-copper sulphide mineralisation. The sills are indistinctly layered, contain pods of meta-peridotite and are up to several hundred metres thick. The Ruins Dolerite is very similar in age and composition to intrusions in the Halls Creek Orogen such as the Sally Malay Suite that hosts the Savannah Nickel-Copper Mine of Panoramic Resources (Figure 1).

Project Geology & Previous Exploration

The project area is characterized by mica schists of the Marboo Formation which are intruded by sills of Ruins Dolerite. Granitoids of the Paperbark Supersuite occur in the north-east of the project area (Figure 2).

At Jack's Hill, a copper-nickel gossan occurs near the contact of the Ruins Dolerite and the mica schists of the Marboo Formation. To the west and north-west of the gossans several large hills comprised of Ruins Dolerite occur.

Initial exploration at the project focused on the Jack's Hill gossan. In 2007, two RC drill programs and one ground EM survey highlighted wide spread low-grade (typically ~0.2-0.4% Ni) sulphide mineralisation in the vicinity of the gossan.

In 2013 a helicopter VTEM survey identified eight significant conductors (Figure 2), with five located within a ~1.5km radius and interpreted to be associated with the margins of multiple Ruins Dolerite sills. These five VTEM conductors were further followed up with ground EM which resulted in the definition of seven discrete bedrock conductors.

A four hole drill program was undertaken to test these ground EM conductors. Two of the holes (CHRC012 & CHRC013) intersected highly encouraging, significant Ni-Cu sulphide mineralisation. Importantly, both the most conductive target and separately the largest conductor, were not drill tested in the program.

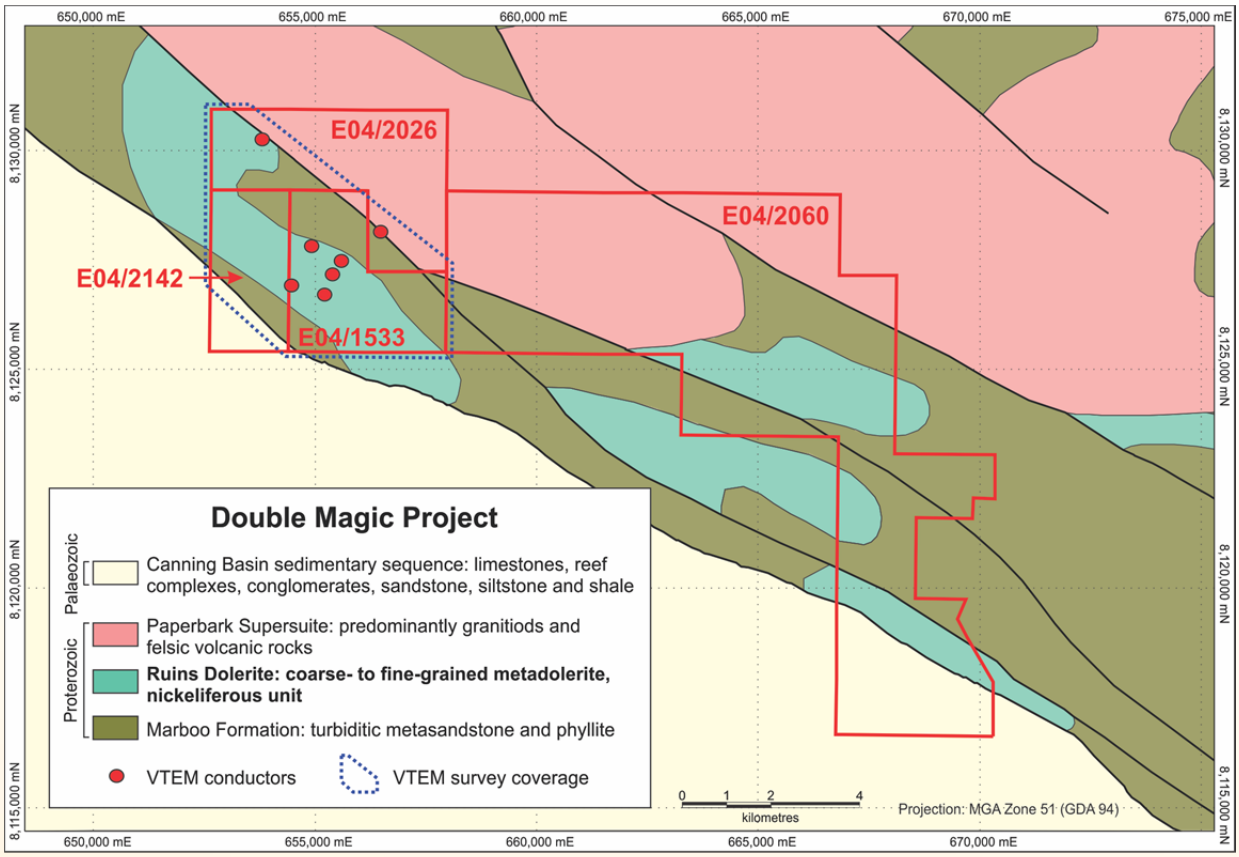

Figure 2. Interpreted bedrock geology and tenure at the Double Magic Ni-Cu Project.

Concluding Comments

The acquisition of the Double Magic Project represents an exciting opportunity for Buxton to explore a newly recognised potential nickel province with immediate “walk-up” drill targets. The addition of Double Magic substantially enhances Buxton’s portfolio of highly prospective nickel exploration projects which include tenement packages in the Fraser Range (Zanthus and Widowmaker) and the Grass Patch Complex near Mount Ridley (Dempster).

Following further internal review of the previous exploration undertaken at the Double Magic Project and completion of the due diligence period, Buxton intends provide additional information on the highly prospective nature of the project and the planned exploration program that will commence within weeks.

JORC Statement

The information in this report that relates to Exploration Results is information previously reported by Victory Mines Limited (ASX: VIC) under the 2004 edition of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") on 12/09/2012, 10/10/2012, 25/10/2012, 16/01/2013, 13/03/2013, 24/04/2013, 29/05/2013, 11/06/2013, 20/06/2013, 05/07/2013, 06/08/2013, 12/08/2013 and 13/09/2013. There have been no material changes to the Exploration Results reported in the announcements of Victory Mines Limited. Buxton has not yet been able to completely verify all of the historical Exploration Results. Buxton will report further in relation to the project once sufficient work has been completed to report under the 2012 Edition of the JORC Code.

Schedule 1. Terms for the acquisition of the Double Magic Project

Transfer of Tenements	The vendors agree to sell and transfer a 100% interest in Alexander Creek Pty Ltd which owns the four project tenements (Tenements) free from encumbrances to Buxton Resources Limited (Buxton) upon execution of the agreement.
Tenements	E 04/1533, E 04/2026, E 04/2060 & E 04/2142
Shares	1,666,666 fully paid Buxton shares are to be issued to the vendors upon Buxton's election to proceed with the agreement.
Milestone Shares	Buxton will issue the vendors up to 3 tranches of milestone shares when those milestones are met (total cumulative value of all tranches is approximately $120,000).
	Milestone A: Report of a drill intercept of at least 15%m NiEQ (where EQ = nickel equivalent) at a minimum 1.5% average NiEQ grade and 1% NiEQ lower cut-off grade (e.g. 10m @ 1.5% NiEQ or 5m @ 3% NiEQ). $40,000 of Buxton shares issued at 15% discount to 5 day VWAP in 5 full trading days post announcement.
	Milestone B: Report of a total JORC nickel Resource of over 30,000 tonnes contained NiEQ at an average grade of over 1.5% NiEQ and with a minimum lower cut-off grade of 1% NiEQ (e.g. 2Mt @ 1.5% NiEQ or 1Mt @ 3% NiEQ). $40,000 of Buxton shares issued at 7.5% discount to 5 day VWAP in 5 full trading days post announcement.
	Milestone C: Report of any nickel Reserve under the JORC code. $40,000 of Buxton shares issued at 0% discount to 5 day VWAP in 5 full trading days post announcement.
Royalty	Buxton must pay to the vendors a royalty at 3% of NPAT upon commencement of production.
Expenditure	In the first full year of the agreement, Buxton will expend a minimum of $250,000 on exploration and administration of the Tenements.
Good Standing	All Tenement costs and DMP minimum spend commitments are to be met by Buxton on an ongoing basis.
Due Diligence	The agreement is subject to a 14 day due diligence period. At the end of, or prior to the end of the due diligence period Buxton must elect to proceed or not with the agreement. There is no break fee.
Sale	If the project is sold before a decision to mine, the vendors will receive 10% of the gross proceeds of that sale. In the event of a sale pre decision to mine and payment of the 10% of gross proceeds to the vendors, the vendors will no longer be entitled to the 3% NPAT royalty or any further milestone payments.

BUXTON RESOURCES

Appendix: Historical drill-hole information

Table 1. Collar table for previous drilling at the Double Magic Project

Hole ID	East	North	Depth	Azimuth	Dip	Target
JH-01	656079	8126613	57	354	-60	Jack's Hill gossans
JH-02	656056	8126613	33	360	-60	Jack's Hill gossans
JH-03	656000	8126625	27	053	-60	Jack's Hill gossans
JH-04	656003	8126636	9	090	-84	Jack's Hill gossans
JH-05	656008	8126649	28	180	-60	Jack's Hill gossans
JH-06	656067	8126657	36	200	-60	Jack's Hill gossans
JH-07	656077	8126646	27	158	-60	Jack's Hill gossans
CHRC002	655860	8126550	162	360	-60	Ground EM conductor SW of gossans
CHRC003	655834	8126570	125	360	-60	Ground EM conductor SW of gossans
CHRC004	655870	8126525	156	360	-60	Ground EM conductor SW of gossans
CHRC005	655989	8126700	80	035	-60	Jack's Hill gossans
CHRC006	655942	8126729	80	035	-60	Jack's Hill gossans
CHRC007	656080	8126610	102	360	-60	Jack's Hill gossans
CHRC008	656045	8126613	102	360	-60	Jack's Hill gossans
CHRC009	656018	8126615	85	360	-60	Jack's Hill gossans
CHRC010	655989	8126625	84	360	-60	Jack's Hill gossans
CHRC011	655983	8126664	150	035	-60	Jack's Hill gossans
CHRC012	654360	8127055	150	045	-60	Ground EM conductor A
CHRC013	655158	8126656	205	358	-50	Ground EM conductor C
CHRC014	655580	8127470	162	045	-60	Ground EM conductor E
CHRC015	654870	8127850	156	045	-70	Ground EM conductor G

Table 2. Significant intercepts for previous drilling at the Double Magic Project

Hole ID	From (m)	To (m)	Width (m)	Ni (%)	Cu (%)	Au (g/t)	Ag (g/t)	Comments
JH-01	19	21	2	0.08	0.62	nsr	0.68	
including	19	20	1	0.06	1.00	1.14	0.90	
JH-02	23	27	4	0.21	0.23	nsr	0.51	
JH-03								not assayed – no mineralisation
JH-04	0	7	7	0.31	1.24	nsr	na	
including	0	3	3	0.46	2.31	nsr	15.27	
including	0	2	2	0.64	2.60	0.36	21.65	
JH-05								not assayed – no mineralisation
JH-06								not assayed – no mineralisation
JH-07								not assayed – no mineralisation
CHRC002	52	63	11	0.30	0.11	0.11	nsr	
	73	77	4	0.31	0.11	nsr	nsr	
CHRC003	14	56	42	0.22	0.08	nsr	nsr	
including	14	16	2	0.49	0.17	nsr	nsr	
and	33	35	2	0.39	0.12	nsr	nsr	
and	38	43	5	0.39	0.16	nsr	nsr	
and	50	56	6	0.34	0.13	nsr	nsr	
CHRC004	63	87	24	0.25	0.09	nsr	nsr	
including	63	71	8	0.36	0.13	nsr	nsr	
	79	86	7	0.35	0.13	nsr	nsr	
CHRC005								no significant results
CHRC006								no significant results
CHRC007								no significant results
CHRC008	13	23	10	0.30	0.07	nsr	nsr	
including	13	18	5	0.42	0.11	nsr	nsr	
and	**27**	**28**	**1**	**0.71**	**0.19**	**nsr**	**nsr**	
CHRC009	9	14	5	0.25	0.04	nsr	nsr	
CHRC010								no significant results
CHRC011								no significant results
CHRC012	107	113	6	0.45	0.13	na	na	
including	**109**	**112**	**3**	**0.69**	**0.19**	**na**	**na**	
CHRC013	148	150	2	0.22	0.07	na	na	
	151	**154**	**3**	**1.28**	**0.21**	**na**	**na**	
including	**152**	**153**	**1**	**2.04**	**0.20**	**na**	**na**	
	156	158	2	0.30	0.24	na	na	
	191	203	12	0.39	0.14	na	na	
including	**195**	**201**	**6**	**0.49**	**0.19**	**na**	**na**	
CHRC014				na	na	na	na	pXRF & drill logs indicate minor sulphides with elevated Ni-Cu
CHRC015				na	na	na	na	pXRF & drill logs indicate minor sulphides with elevated Ni-Cu

nsr: No Significant Result (<0.20% Ni, <0.5% Cu, <0.1ppm Au, <1.0ppm Ag), na: Not assayed