Buxton

Resources Limited

Annual Report

2008

CORPORATE DIRECTORY

ABN 86 125 049 550

Directors
Michael Ivey (Non Executive Chairman)
Ron Smit (Managing Director)
Graeme Smith (Non Executive Director)

Company Secretary
Graeme Smith

Registered Office
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WEST PERTH WA 6005

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NORTHBRIDGE WA 6003
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Solicitors
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86 First Avenue
MT LAWLEY WA 6050

Share Register
Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
PERTH WA 6000

Auditors
Rothsay Chartered Accountants
Level 18, 6 O'Connell Street
SYDNEY NSW 2000

Internet Address
www.buxtonresources.com.au

Securities Exchange Listing
Buxton Resources Limited shares are listed on the Australian Securities Exchange (ASX code: BUX).

Table of Contents

Chairman's Address

An Opportunity

Since listing on the ASX in October 2007, I am pleased to report that your Company made good progress towards creating long term shareholder wealth through its strategy aimed at the discovery and development of world-class precious metal and/or base metal deposits.

Mineral exploration is typified by prolonged periods of targeting, project acquisition and initial testing before an accelerated and usually frenetic phase following discovery. The pre-discovery phase is often less exciting and harder work and is largely unseen by outside parties. We are fortunate to have former *BHP Minerals International* geologist Ron Smit as our Managing Director. Ron has proved himself to be a skilled assessor and explorer. He maintains a strong fiscal discipline and applies strong economic rationale in decision making.

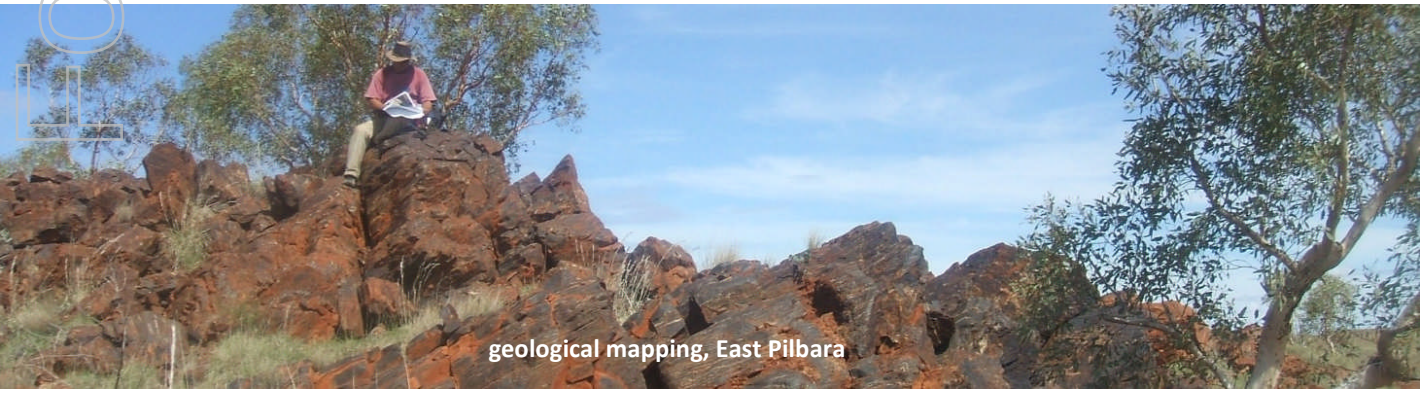
Since listing we have evaluated four of the Company's projects, and after initial ground testing and investigation, sold one project and advanced two in line with our strategy - full details are provided in this annual report and I encourage you to read it in full.

The financial markets have provided a changing and challenging environment in which we operate. Buxton has a strong cash position ($2.8 million at year end) and modest commitments and we see these uncertain times as an opportunity to acquire quality assets. Consistent with this, much work is going on behind the scenes evaluating and assessing project and corporate opportunities.

We are well positioned to take advantage of these opportunities and remain determined to pursue a project that will provide meaningful value for our Company and our share price. At the same time our exploration testing will continue, particularly at our Dempster and Kanandah Projects where ground based sampling and geophysical surveys have provided strong encouragement.

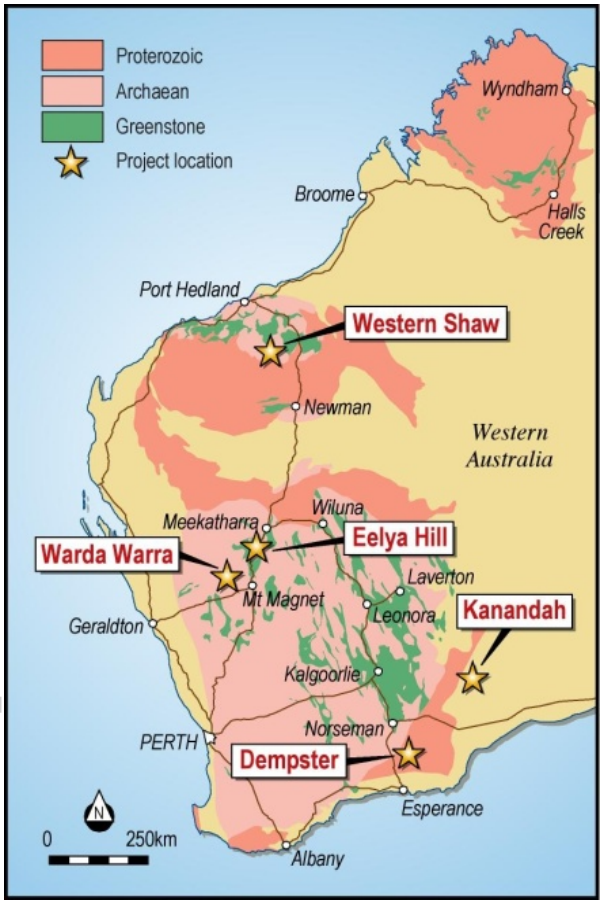
On behalf of the board I would like to extend my thanks to our shareholders and business partners for joining us on our search and I look forward to providing further updates on our progress during the year.

Mike Ivey
Chairman



geological mapping, East Pilbara

Board of Directors (from left to right):
Mike Ivey, Graeme Smith, Ron Smit



Activity for the Year	Production
Aircore drilling	50 holes for 1,170m
Auger drilling – calcrete	890 holes
Surface Sampling	154 samples
Gravity Surveys	1272 stations
Airborne EM	719 line km

Strategy and Synopsis of the Year

The goal of Buxton Resources Limited is to create shareholder wealth through the discovery and development of world-class precious metal and / or base metal deposits. The strategy is three-fold and runs in parallel, consisting of project evaluation, project generation and project acquisition.

Since listing in October 2007 the Company has progressed four of its five Prospectus projects through to key decision points. The Dempster gold and Kanandah base metal projects have returned positive results from ground geochemical and geophysical surveys and drilling is planned for both later this calendar year. In the East Pilbara, reconnaissance field work led to a decision to divest the Western Shaw project. It was subsequently sold to Atlas Iron Limited for shares and a retained royalty. The nickel potential of the Warda Warra Project has been downgraded following disappointing results from exploration activities and a decision is pending on its future. The Eelya Hill project has not advanced this year due to some access issues which should be resolved in the near future. Further details on these projects are presented in the following section.

The Company is committed to project generation and is using in-house knowledge and expertise to secure opportunities on the global stage. This work is continuing and it is expected that new projects will emerge via this path.

The Company has also during the course of the year reviewed a number of advanced projects; but on all occasions the projects reviewed have yet to meet the Company's technical and / or corporate hurdles. The review and risk assessment of other advanced mineral projects continues.

Dempster Gold Project (Buxton 90%)

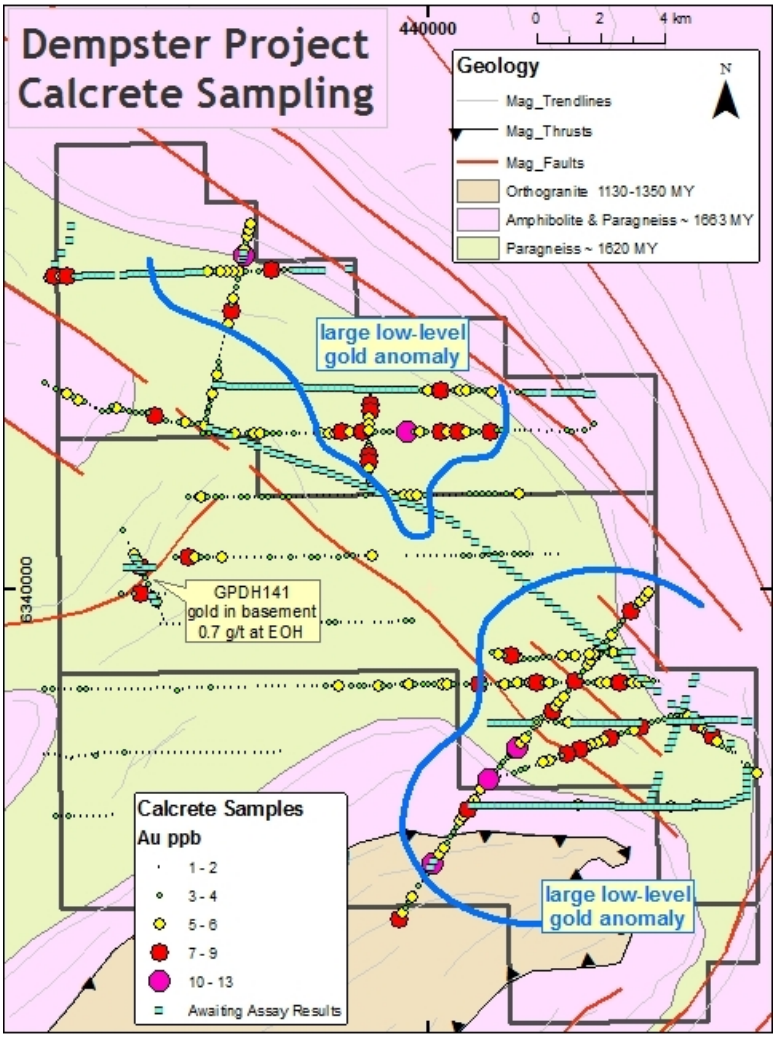
The Company has made rapid progress on this project since the grant of the projects three exploration licences in January 2008 that covers an area of 412 km². Fieldwork has involved two phases of surface geochemical sampling, site works (line-clearing) and a heritage survey. Our field exploration activities have delivered positive results and the Company expects to drill selected targets near the end of this calendar year.

The Dempster gold project is 90 km north-northeast of Esperance, Western Australia and is being evaluated for gold mineralisation similar to the 4 million ounce Tropicana-Havana gold deposit. The Tropicana-Havana discovery was made by drill-testing a large low-level soil gold anomaly with a peak value of 31 ppb. Historical mineral exploration work at Dempster has reported low-level gold in calcrete as well as a basement gold intercept from a reconnaissance aircore drill hole (0.69 g/t at the bottom of hole; 20-21m interval).

The Company is sampling calcrete to screen the project area as it is a consistent, easily identified sampling medium that occurs near-surface and is widespread throughout the project. Calcrete is a proven sample medium that can aid in the detection of concealed primary gold mineralisation.

The first phase of calcrete sampling to test for gold mineralisation was completed on 2 km spaced east-west gridlines and existing access tracks. A total of 550 calcrete samples were collected at nominal 200m intervals along these lines. The gold results confirmed the presence of large low-level gold anomalies. Many gold values above 5 ppb have been recorded with a peak value of 13 ppb. These results are considered highly significant as they are comparable in size and magnitude to the soil gold anomaly that led to the discovery of the Tropicana-Havana gold deposit.

A second phase of calcrete sampling was conducted on newly prepared tracks to better define the geometry of the gold anomalies. A further 340 samples were collected and assay results are not yet available. A third phase of calcrete sampling will be undertaken after results are to hand to infill target areas to a drill ready status. It is anticipated that drilling will commence late in the calendar year.



surface geochemistry has located large low-level gold anomalies which will be drill-tested late in the calendar year

Kanandah Base Metal Project (Buxton 100%)

The Kanandah Base Metal Project is 300 km east of Kalgoorlie in the Eucla Basin, Western Australia and consists of a granted exploration licence and an exploration licence application that covers a total area of 731 km^2.

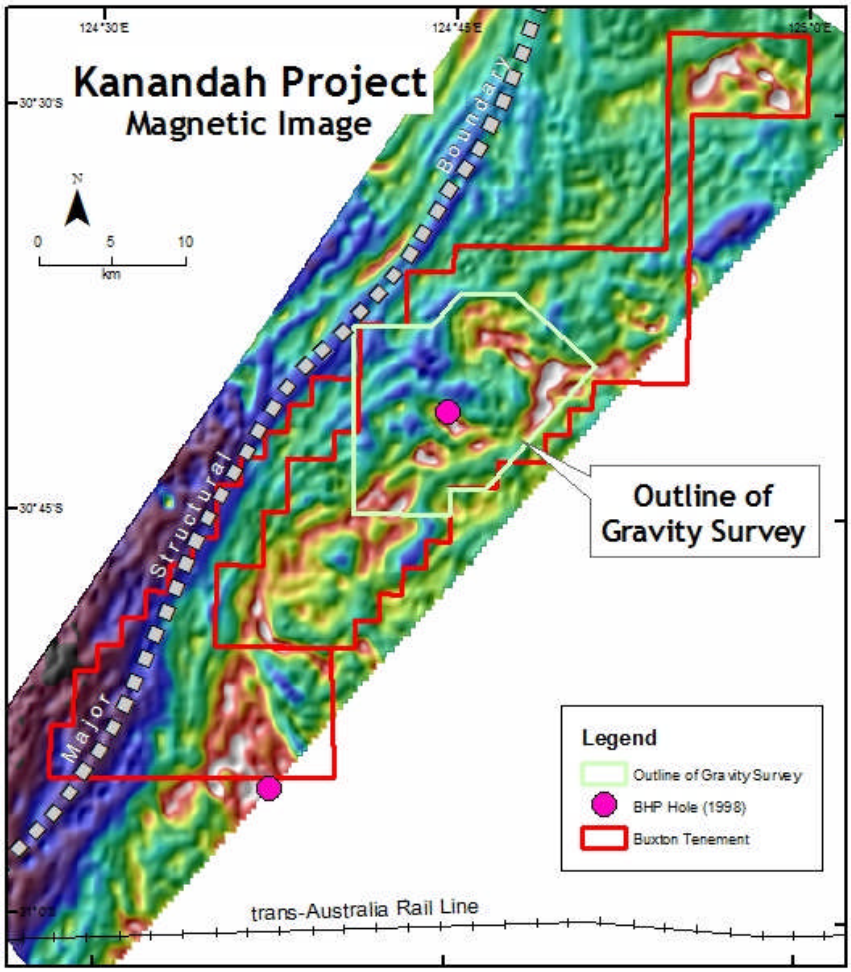
A shallowly buried (~150m), untested terrane consisting of high grade metamorphic rocks is considered to have the potential to host very large silver-rich lead-zinc deposits of the Broken Hill- or Cannington-type. The only mineral exploration hole drilled in the project area (1998) intersected a quartz-magnetite rock interpreted as a metamorphosed Banded Iron Formation. The abundance of manganiferous garnet and apatite in this drill hole are positive indicators as to the prospectivity of this un-explored rock package.

The main tenement was granted in March 2008 and since this time the Company has completed state of the art geophysics.

High-quality airborne magnetic data flown by the Geological Survey of Western Australia (2006) has been reprocessed to extract better information specific to the project area. A review of the data indicates a magnetic rock package that can be traced over approximately 50 km. Contained within this package are intense magnetic anomalies; the largest has dimensions of 1800 x 1200 m (Anomaly A2) and this is considered a priority drill target.

A ground gravity survey was completed in early May 2008 to complement the airborne magnetic data and to assist in target selection. This involved the collection of 1,155 station readings on a 400 x 400m grid and covered an area of approximately 173 km^2. A further 117 infill gravity stations were read on a 200 x 200m grid or 100 x 200m grid in August 2008 to better define four selected target zones.

Measuring variations in gravity over an area provides information on the density of the material below the surface. It is an excellent mapping tool and has the capability of the direct detection of massive sulphides. Gravity anomalies associated with Broken Hill- and Cannington-type sulphide mineralization are approximately 0.5 - 1.5 mgals.



geophysical work has identified four high priority targets that will be drilled as soon as a suitable rig is secured; this is a high risk – high reward exploration play

Kanandah Base Metal Project continued

Four high priority geophysical targets have been selected for drill testing. Selection has been based on their geophysical characteristics (gravity and magnetic), their geometry and their structural position.

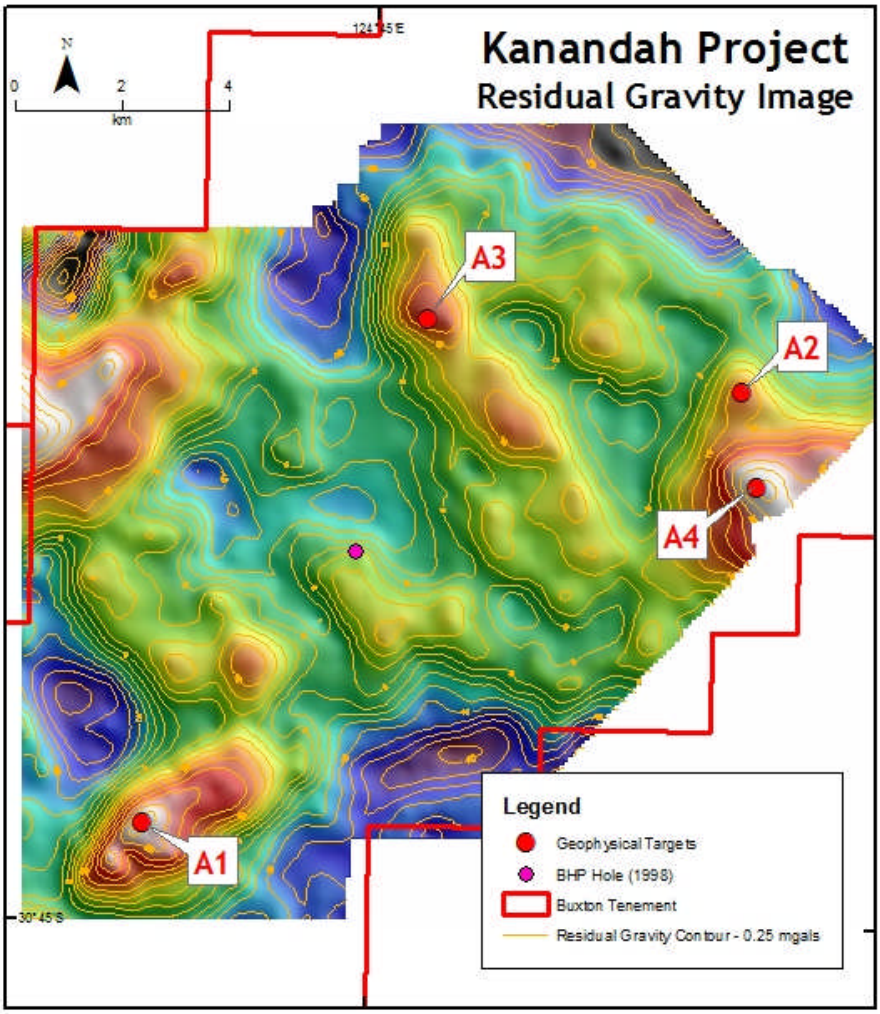
- Anomaly A1 is a large elongate 1 – 2 mgal anomaly with approximate dimensions of 3600 x 400m. It is the most prominent feature within the gravity survey and is related to non-magnetic basement.

- Anomaly A2 is a discrete circular 0.25 mgal anomaly coincident with the most intense magnetic feature in the project area.

- Anomaly A3 is a northeasterly trending seven km long 0.3 – 0.5 mgal response associated with a demagnetized portion of folded magnetic-stratigraphy.

- Anomaly A4 is a 0.5 mgal anomaly located close to the intersection of major structures.

The exploration approach adopted by the Company has been directed towards the discovery of a very large buried massive sulphide system. Results to date have been encouraging and the next stage of exploration is to drill test the selected targets. Drilling will commence as soon as a suitable drill rig is secured.



using quad-bikes to collect gravity readings

Western Shaw Iron Project

The Western Shaw Project is 100 km southwest of the town of Marble Bar in the Pilbara, Western Australia.

During the year the Company conducted two field reconnaissance surveys to evaluate some known gold and base metal anomalies as well as investigate the iron ore potential of the Banded Iron Formation (BIF).

The gold and base metal work failed to generate any high priority targets whilst rock-chip sampling of BIF returned values ranging from 30 - 50% Fe. Field inspection of the BIF identified local areas of structural thickening and these areas may have the potential to deliver small modest-grade hematite ore bodies. Field work also located a small mesa characterized by a ferruginous hardcap (perched Channel Iron Deposit) which returned consistent grades above 58% Fe, however the tonnage potential of this prospect is very small.

Given the Company's single tenement status in the Pilbara and the likelihood that the project would not deliver a standalone iron ore operation it was considered prudent to divest this project. Subsequently, the Company agreed to sell its mineral interest in the Western Shaw Project to Atlas Iron Limited (Atlas), an iron ore group moving towards production in the Pilbara. The Company will receive shares in Atlas and retains a royalty on any mineral production (excluding tin & tantalum) from the Western Shaw Project.

banded iron formation, East Pilbara

divesting this property will allow the Company to focus on the Dempster & Kanandah Projects

break-away country, Eelya Hill

Eelya Hill Copper-Gold Project

This project is located 27 km east-northeast of Cue, Western Australia and contains copper and gold mineralisation. Both tenements were granted late in 2007 and a field inspection was undertaken soon thereafter to establish the location of ERC19, an old exploration hole drilled in 1993. This hole intersected massive sulphides and returned 3m at 6.9% copper, 3.6 g/t gold from 39m down-hole with highly elevated levels of lead, zinc, silver, arsenic, bismuth and antimony.

The drill site was relocated and the revised exploration plan is to drill holes directly beneath the original intersection to test for continuity of mineralisation. Unfortunately, the Company's exploration efforts have stalled whilst it negotiates land access with the representative aboriginal groups.

Warda Warra Nickel Project

The Warda Warra Nickel Project is located 280 km east-northeast of the port city of Geraldton and covers much of the Warda Warra Greenstone Belt. During the year the Company evaluated the nickel sulphide and nickel laterite potential of untested ultramafic rocks by undertaking a helicopter-borne electromagnetic survey (VTEM), acquisition of satellite imagery, a soil sampling survey and an aircore drilling program.

The electromagnetic survey was flown by Geotech Airborne Pty Ltd using their proprietary VTEM (Versatile Time-domain ElectroMagnetic) system. The survey area covered approximately 125 km^2 of the greenstone belt and a total of 719 line km was flown.

The VTEM Survey located a cluster of discrete conductors on M59/50 and M59/350. A field inspection showed that these are likely associated with narrow auriferous quartz - copper sulphide veins that have limited size potential. The VTEM Survey did not detect any strong conductors within ultramafic rocks, thus downgrading the prospectivity for nickel sulphide mineralisation.

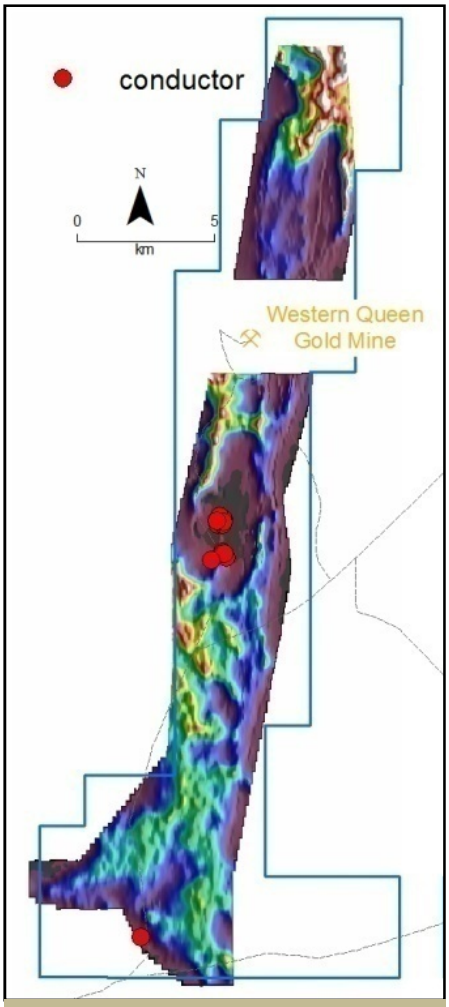
Soil sampling was completed over prospective nickel laterites and the results were sufficiently encouraging to warrant aircore drilling. 50 air-core holes were drilled for a total of 1,170m. Holes were drilled to test soil nickel anomalies associated with untested ultramafic units and an area of known mineralisation at the Yinga Prospect.

The best drill intercepts are as follows

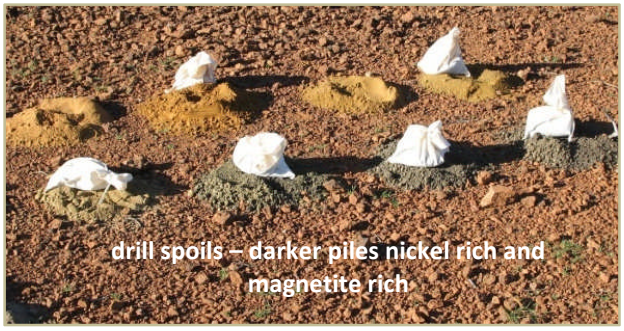
Hole	Interval (m)	Ni %	From (m)
WWA09	14	0.69	Surface*
WWA24	8	0.88	18
WWA28	14	0.97	8
WWA43	10	0.83	6*
WWA47	8	0.81	8*

Note: * denotes to end of hole

Although the drilling discovered new zones of laterite nickel mineralisation it seems unlikely that the project has the capability of delivering a large tonnage modest grade (> 0.7% Ni) laterite nickel deposit. A project review is in progress.



Warda Warra Greenstone Belt VTEM Survey



drill spoils – darker piles nickel rich and magnetite rich

aircore drilling, Warda Warra

The Information in this report that relates to exploration results is based on information compiled by Ronald Smit, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Smit is a geologist and full-time employee of Buxton Resources Limited. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ronald Smit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Your directors submit their report for the year ended 30 June 2008.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Michael Ivey, BAppSc (Geol), MSc(Min Econ.) WASM, MAusIMM, MAICD (Non Executive Chairman)

Michael Ivey has been involved in the mineral exploration industry in Western Australia for over 20 years. He graduated from Curtin University with a Bachelor of Applied Science degree majoring in geology and has a Master of Science (Mineral Economics) from the WA School of Mines.

After graduating Mr Ivey initially worked as an exploration geologist exploring for gold in the Murchison and Eastern Goldfields Regions of Western Australia. In 1986, Mr Ivey joined Croesus Mining NL and over the ensuing 18 years held the positions of Chief Geologist, Exploration Manager and General Manager before becoming Managing Director and Chief Executive Officer in 1997. He led the discovery of the suite of Binduli gold deposits (+1 million ounces) and was responsible for the acquisition and development of the Davyhurst Gold Project and the merger with Central Norseman Gold Corporation. He was awarded the 2002 Mining Executive of the Year by Gold Mining Journal.

Mr Ivey is also Executive Chairman and Managing Director of Castle Minerals Limited, Non Executive Director of Azumah Resources Limited and is Principal of MetalsEx Capital. Within the last three years Mr Ivey has been a former director of Croesus Mining NL.

Ron Smit, BSc (Hons), MAusIMM (Managing Director)

Ron Smit is a geologist with over 25 years experience in the mineral exploration and mining industry. He worked for BHP Minerals International (now BHP Billiton plc) for much of this period and held many senior technical and management positions.

Mr Smit has conducted exploration for base metals, precious metals and diamonds throughout Australia, North America and Papua New Guinea. He has extensive experience in Archaean and Proterozoic mineral systems and has been involved in the discovery of gold deposits in the Eastern Goldfields of Western Australia, manganese in the Northern Territory and copper in Queensland.

In 2002 Mr Smit joined Marengo Mining Limited as Exploration Manager and subsequently Exploration Director, a position he resigned from on 30 June 2006. Mr Smit's core strengths are business development, project management, project generation and risk assessment.

Graeme Smith, BEc, MBA, MComLaw, FCPA, FCIS, MAusIMM (Non Executive Director)

Graeme Smith is a finance professional with over 20 years experience in accounting and company administration. He graduated from Macquarie University with a Bachelor of Economics degree and has since received a Master of Business Administration and a Master of Commercial Law. He is a Fellow of both the Australian Society of Certified Practicing Accountants and the Chartered Institute of Secretaries and Administrators.

Mr Smith has held CFO and Company Secretary positions with other Australian mining and mining service companies. Mr Smith is a director of Genesis Minerals Limited. Mr Smith has not held any former directorships in the last 3 years.

COMPANY SECRETARY

Graeme Smith

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Buxton Resources Limited were:

	Ordinary Shares	Options over Ordinary Shares
Michael Ivey	110,000	-
Ron Smit	3,205,000	2,000,000
Graeme Smith	72,500	500,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the acquisition of mining tenements, and the exploration of these tenements with the objective of identifying economic mineral deposits.

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

OPERATING AND FINANCIAL REVIEW

Finance Review

The Company raised $3.708 million through the issue of 18.54 million ordinary shares at initial public offer and was admitted to the official list of Australian Securities Exchange Limited on 19 October 2007. Funds raised are being used to actively pursue the Company's exploration projects.

During the year total exploration expenditure incurred by the Company amounted to $523,299. In line with the Company's accounting policies, all exploration expenditure was written off at year end. Net administration expenditure incurred amounted to $216,599. This has resulted in an operating loss after income tax for the year ended 30 June 2008 of $739,898 (2007: $47,455).

At 30 June 2008 cash assets available totalled $2,835,142.

Operating Results for the Year

Summarised operating results are as follows:

	2008	
	Revenues	Results
	$	$
Revenues and loss from ordinary activities before income tax expense	173,044	(739,898)

Shareholder Returns

	2008	2007
Basic loss per share (cents)	(2.8)	(2.8)

Risk Management

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company raised $3.708 million through the issue of 18.54 million ordinary shares at initial public offer and was admitted to the official list of Australian Securities Exchange Limited on 19 October 2007. Funds raised are being used to actively pursue the Company's exploration projects.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, besides those disclosed at note 20, have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation

E Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Buxton Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives . The board of Buxton Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration

The Company currently has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

B Details of remuneration

Details of the remuneration of the directors, the key management personnel (as defined in AASB 124 *Related Party Disclosures*) and specified executives of Buxton Resources Limited are set out in the following table.

The key management personnel of Buxton Resources Limited include the directors and company secretary as per page 3 above.

Given the size and nature of operations of Buxton Resources Limited, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key management personnel and other executives of Buxton Resources Limited

	Short-Term		Post Employment		Share-based Payments	Total
	Salary & Fees	Non Monetary	Superannuation	Retirement benefits		
	$	$	$	$	$	$
Directors						
Michael Ivey						
2008	**50,000**	**1,923**	**-**	**-**	**-**	**51,923**
2007	-	-	-	-	-	-
Ron Smit						
2008	**120,633**	**1,923**	**9,415**	**-**	**-**	**131,971**
2007	10,000	-	-	-	-	10,000
Graeme Smith						
2008	**20,692**	**1,923**	**1,862**	**-**	**-**	**24,477**
2007	-	-	-	-	-	-
Dennis Wilkins (resigned 27 June 2007)						
2007	26,994	-	-	-	-	26,994
Total key management personnel compensation						
2008	**191,325**	**5,769**	**11,277**	**-**	**-**	**208,371**
2007	36,994	-	-	-	-	36,994

C Service agreements

On 25 June 2007 the Company entered into an Executive Service Agreement with Mr Ron Smit.

Under the Agreement, Mr Ron Smit is engaged by the Company to provide services to the Company in the capacity of Managing Director and CEO.

Mr Smit is paid a salary of $150,000, plus statutory superannuation.

The Agreement is effective from the date the Company is admitted to the Official List (19 October 2007) and continues until terminated by either Mr Smit or the Company. Mr Smit is entitled to a minimum notice period of six months from the Company and the Company is entitled to a minimum notice period of six months from Mr Smit.

D Share-based compensation

There was no share-based compensation issued to key management personnel during the year.

E Additional information

Performance income as a proportion of total compensation

No performance based bonuses have been paid to key management personnel during the financial year.

DIRECTORS' MEETINGS

During the year the Company held five meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings	
	A	**B**
Michael Ivey	5	5
Ron Smit	5	5
Graeme Smith	5	5

Notes

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

SHARES UNDER OPTION

At the date of this report there are 8,750,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	8,750,000
Total number of options outstanding as at 30 June 2008 and the date of this report	**8,750,000**

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
15 May 2012	20	4,750,000
15 May 2012	30	4,000,000
Total number of options outstanding at the date of this report		**8,750,000**

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Buxton Resources Limited against costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or

(b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums paid is $5,769.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Rothsay Chartered Accountants or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Rothsay Chartered Accountants received or are due to receive the following amounts for the provision of non-audit services:

	2008	2007
	$	$
Investigating accountants report	-	8,800

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Signed in accordance with a resolution of the directors.

Ron Smit
Managing Director

Perth, 23 September 2008

ROTHSAY

Level 18, 6 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

The Directors
Buxton Resources Ltd
PO Box 356
North Perth WA 6906

Dear Sirs,

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2008 annual financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)

Rothsay

Rothsay Chartered Accountants

Dated 23rd September 2008

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any share holding qualification.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

The membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees (other than an Audit Committee) at this time. The board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mining exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

The board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the company's size and the resources it has available.

As the company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The board has early adopted the revised Recommendations and the following table sets out the company's present position in relation to each of the revised Principles.

	ASX Principle	Status	Reference/comment
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions	**A**	Matters reserved for the Board are included on the Company website in the Corporate Governance Section.
1.2	Companies should disclose the process for evaluating the performance of senior executives	**A**	The remuneration of management and employees is reviewed by the Managing Director and approved by the Board. Acting in its ordinary capacity the Board from time to time carries out the process of considering and determining performance issues.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	**A (in part)**	Matters reserved for the Board can be viewed on the Company website.
Principle 2:	**Structure the board to add value**		
2.1	A majority of the board should be independent directors	**N/A**	The Board consists of 3 members – an independent chairman, a managing director and a non-independent director who is also the Company Secretary and has worked for a consultant to the Company within the past 3 years. The Board does not consider it appropriate to appoint another director in his place as the additional costs would not outweigh the benefits of independence.
2.2	The chair should be an independent director	**A**	
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	**A**	The position of Chairman and Managing Director are held by separate persons.
2.4	The board should establish a nomination committee	**A**	The full Board is the Nomination Committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for screening and appointing new Directors. In view of the size and resources available to the Company it is not considered that a separate Nomination Committee would add any substance to this process.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	**N/A**	Given the size and nature of the Company a formal process for performance evaluation has not been developed.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	**A (in part)**	The skills and experience of the Directors are set out in the Company's Annual Report and on the website.
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: the practices necessary to maintain confidence in the company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	**A**	The Company has established a Code of Conduct which can be viewed on its website.

A = Adopted
N/A = Not adopted

	ASX Principle	Status	Reference/comment
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy	**A**	The Company has formulated a securities trading policy, which can be viewed on its website.
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3	**A**	
Principle 4:	**Safeguard integrity in financial reporting**		
4.1	The board should establish an audit committee	**A**	The full Board acts as the audit committee.
4.2	The audit committee should be structured so that it:		
	consists only of non-executive directors	**N/A**	The Company only has two non-executive directors.
	consists of a majority of independent directors	**N/A**	The Company only has one independent director.
	is chaired by an independent chair, who is not chair of the board	**N/A**	There are only 3 directors and the chairman is the only independent director.
	• has at least three members	**A**	
4.3	The audit committee should have a formal charter	**A**	
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	**A**	
Principle 5:	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	**A**	Directors must obtain the approval of the Chairman of the Board and notify the Company Secretary before they buy or sell shares in the Company, and it is subject to Board veto. Directors must provide the information required by the Company to ensure Compliance with Listing Rule 3.19A.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	**A**	The Board receives monthly reports on the status of the Company's activities and any new proposed activities. Disclosure is reviewed as a routine agenda item at each Board Meeting.
Principle 6:	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	**A**	In line with adherence to continuous disclosure requirements of the ASX all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual report, Quarterly Reports, the Company Website and the distributions of specific releases covering major transactions and events.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	**A**	The Company has formulated a Communication Policy which is included in its Corporate Governance Statement on the Company Website.

A = Adopted
N/A = Not adopted

	ASX Principle	Status	Reference/comment
Principle 7:	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	**N/A**	While the Company does not have formalised policies on risk management the Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors. Determined areas of risk which are regularly considered include: • performance and funding of exploration activities • budget control and asset protection • status of mineral tenements • compliance with government laws and regulations • safety and the environment • continuous disclosure obligations
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	**N/A**	While the Company does not have formalised risk management policies it recognises its responsibility for identifying areas of significant business risk and ensuring that arrangements are in place to adequately manage these risks. This issue is regularly reviewed at Board meetings and a risk management culture is encouraged amongst employees and contractors.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	**A**	Assurances received from CEO and CFO (or equivalent) each year.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	**A**	
Principle 8:	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee	**A**	
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	**A**	
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8	**A**	Refer to the Annual Report and the Corporate Governance section of the Company's website.

A = Adopted
N/A = Not adopted

Income Statement

YEAR ENDED 30 JUNE 2008	Notes	The Company 2008 $	2007 $
REVENUE FROM CONTINUING OPERATIONS	4	**173,044**	487
EXPENDITURE			
Depreciation expense		**(12,743)**	(124)
Employee benefits expense		**(104,945)**	-
Exploration expenses		**(523,299)**	(18,152)
Consultancy expenses		**(53,018)**	(10,000)
Corporate expenses		**(132,233)**	(15,478)
Administration costs		**(86,704)**	(4,188)
LOSS BEFORE INCOME TAX		**(739,898)**	(47,455)
INCOME TAX BENEFIT / (EXPENSE)	6	**-**	-
LOSS FOR THE YEAR		**(739,898)**	(47,455)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	22	**(2.8)**	(2.8)

The above Income Statement should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet

AT 30 JUNE 2008	Notes	The Company 2008 $	2007 $
CURRENT ASSETS			
Cash and cash equivalents	7	**2,835,142**	281,521
Trade and other receivables	8	**48,380**	2,826
Other	9	**-**	43,697
TOTAL CURRENT ASSETS		**2,883,522**	328,044
NON-CURRENT ASSETS			
Plant and equipment	10	**42,613**	5,323
TOTAL NON-CURRENT ASSETS		**42,613**	5,323
TOTAL ASSETS		**2,926,135**	333,367
CURRENT LIABILITIES			
Trade and other payables	11	**61,041**	58,570
TOTAL CURRENT LIABILITIES		**61,041**	58,570
TOTAL LIABILITIES		**61,041**	58,570
NET ASSETS		**2,865,094**	274,797
EQUITY			
Issued capital	12	**3,652,447**	322,252
Accumulated losses	13	**(787,353)**	(47,455)
TOTAL EQUITY		**2,865,094**	274,797

The above Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2008	Notes	The Company 2008 $	2007 $
TOTAL EQUITY AT THE BEGINNING OF THE YEAR		**274,797**	-
LOSS FOR THE YEAR		**(739,898)**	(47,455)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF BUXTON RESOURCES LIMITED		**(739,898)**	(47,455)
Transactions with equity holders in their capacity as equity holders:			
Shares issued during the year	12	**3,708,000**	322,252
Transaction costs	12	**(377,805)**	-
		3,330,195	322,252
TOTAL EQUITY AT THE END OF THE YEAR		**2,865,094**	274,797

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement

YEAR ENDED 30 JUNE 2008	Notes	The Company 2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(349,966)**	(7,594)
Expenditure on mining interests		**(527,162)**	(18,152)
Interest received		**157,419**	262
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	21	**(719,709)**	(25,484)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(50,170)**	(5,310)
Payment of office security deposit		**(16,632)**	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		**(66,802)**	(5,310)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**3,708,000**	322,252
Payments of share issue costs		**(367,868)**	(9,937)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**3,340,132**	312,315
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,553,621**	281,521
Cash and cash equivalents at the beginning of the financial year		**281,521**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	**2,835,142**	281,521

The above Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report includes financial statements for Buxton Resources Limited as an individual entity. The financial report is presented in the Australian currency. Buxton Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial report was authorised for issue by the directors on 23 September 2008. The directors have the power to amend and reissue the financial report.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Buxton Resources Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(c) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(d) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 18). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Investments and other financial assets

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial investments is determined are disclosed in note 2.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(i) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives. The rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(j) Exploration and evaluation costs

Exploration and evaluation costs are expensed as incurred.

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(l) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Comparative figures

Buxton Resources Limited was incorporated as a private company on 23 April 2007 and converted to a public company on 29 June 2007. The comparative information included in these statements is for the period from incorporation to 30 June 2007.

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Company has not yet decided when to adopt AASB 8. Adoption of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(ii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Company intends to apply the revised standard from 1 July 2009.

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Critical accounting judgements, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

(ii) Price risk

Given the current level of operations the Company is not exposed to price risk.

(iii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Company $2,835,142 (2007: $281,521) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was 6.0% (2007: 0.3%).

Sensitivity analysis

At 30 June 2008, if interest rates had changed by -/+ 80 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been $23,000 lower/higher (2007 - immaterial) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the balance sheet and notes to the financial statements.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the Balance Sheet. All trade and other payables are non-interest bearing and due within 12 months of the balance sheet date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

30 JUNE 2008

3. SEGMENT INFORMATION

Description of segments

The Company's operations are in the mining industry in Australia.

	The Company	
	2008	2007
	$	$
4. REVENUE		
From continuing operations		
Other revenue		
Interest	**173,044**	487
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Minimum lease payments relating to operating leases	**35,280**	-
6. INCOME TAX		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(739,898)**	(47,455)
Prima facie tax benefit at the Australian tax rate of 30%	**(221,969)**	(14,237)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	**432**	-
Movements in unrecognised temporary differences	**(22,359)**	5,023
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**243,896**	9,214
Income tax expense	-	-
(c) Unrecognised temporary differences		
Deferred Tax Assets (at 30%)		
On Income Tax Account		
Capital raising costs	**90,673**	-
Other	**5,333**	5,023
Carry forward tax losses	**253,110**	9,214
	349,116	14,237
Deferred Tax Liabilities (at 30%)	-	-
7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	**108,415**	281,521
Short-term deposits	**2,726,727**	
Cash and cash equivalents as shown in the balance sheet and the statement of cash flows	**2,835,142**	281,521

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

30 JUNE 2008

	The Company	
	2008	2007
	$	$
8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Sundry receivables	**48,380**	2,826
9. CURRENT ASSETS - OTHER		
Deferred capital raising costs	-	43,697
10. NON-CURRENT ASSETS - PLANT AND EQUIPMENT		
Plant and equipment		
Cost	**55,480**	5,447
Accumulated depreciation	**(12,867)**	(124)
Net book amount	**42,613**	5,323
Plant and equipment		
Opening net book amount	**5,323**	-
Additions	**50,033**	5,447
Depreciation charge	**(12,743)**	(124)
Closing net book amount	**42,613**	5,323
11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	**42,648**	48,570
Other payables and accruals	**18,393**	10,000
	61,041	58,570

12. ISSUED CAPITAL

(a) Share capital

		2008		2007	
	Notes	Number of shares	$	Number of shares	$
Ordinary shares fully paid	12(b), 12(d)	**32,040,010**	**3,652,447**	13,500,010	322,252
Total issued capital		**32,040,010**	**3,652,447**	13,500,010	322,252
(b) Movements in ordinary share capital					
Beginning of the financial year		**13,500,010**	**322,252**	-	-
Issued during the year:					
– Issued for cash at incorporation at 20 cents per share		-	-	10	2
– Issued for cash at 0.05 cents per share		-	-	4,500,000	2,250
– Issued for cash at 8 cents per share		-	-	4,000,000	320,000
– Issued for nil consideration to acquire tenement rights		-	-	5,000,000	-
– Issued at IPO for 20 cents per share		**18,540,000**	**3,708,000**	-	-
Less: Transaction costs		-	**(377,805)**	-	-
End of the financial year		**32,040,010**	**3,652,447**	13,500,010	322,252

(c) Movements in options on issue

	Number of options	
	2008	2007
Beginning of the year	**8,750,000**	-
Issued during the year:		
– Exercisable at 20 cents, on or before 30 June 2012	-	4,750,000
– Exercisable at 30 cents, on or before 30 June 2012	-	4,000,000
End of the year	**8,750,000**	8,750,000

30 JUNE 2008

	The Company	
	2008	2007
	$	$

12. ISSUED CAPITAL (cont'd)

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(e) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2008 and 30 June 2007 is as follows:

Cash and cash equivalents	**2,835,142**	281,521
Trade and other receivables	**48,380**	2,826
Trade and other payables	**(61,041)**	(58,570)
Working capital position	**2,822,481**	225,777

13. ACCUMULATED LOSSES

Accumulated losses		
Balance at beginning of year	**(47,455)**	-
Net loss for the year	**(739,898)**	(47,455)
Balance at end of year	**(787,353)**	(47,455)

14. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

15. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

Short-term benefits	**197,094**	**36,994**
Post employment benefits	**11,277**	**-**
Other long-term benefits	**-**	**-**
Termination benefits	**-**	**-**
Share-based payments	**-**	**-**
	208,371	**36,994**

The Company has taken advantage of the relief provided by AASB 2008-4 *Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities* and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in sections A-C of the remuneration report on pages 5 and 6.

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

There have been no options provided as remuneration to key management personnel.

30 JUNE 2008

15. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Buxton Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2008	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Buxton Resources Limited							
Michael Ivey	-	-	-	-	-	-	-
Ron Smit	**2,000,000**	-	-	-	**2,000,000**	**2,000,000**	-
Graeme Smith	**500,000**	-	-	-	**500,000**	**500,000**	-

2007	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Buxton Resources Limited							
Michael Ivey	-	-	-	-	-	-	-
Ron Smit	-	-	-	2,000,000	2,000,000	2,000,000	-
Graeme Smith	-	-	-	500,000	500,000	500,000	-

All vested options are exercisable at the end of the year.

(iii) Share holdings

The numbers of shares in the Company held during the year by each director of Buxton Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2008	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Buxton Resources Limited				
Ordinary shares				
Michael Ivey	**110,000**	-	-	**110,000**
Ron Smit	**3,195,000**	-	**10,000**	**3,205,000**
Graeme Smith	**72,500**	-	-	**72,500**

2007	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Buxton Resources Limited				
Ordinary shares				
Michael Ivey	-	-	110,000	110,000
Ron Smit	-	-	3,195,000	3,195,000
Graeme Smith	-	-	72,500	72,500

(c) Loans to key management personnel

There were no loans to key management personnel during the year.

30 JUNE 2008

	The Company	
	2008	2007
	$	$

16. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

(a) Audit services

Rothsay Chartered Accountants - audit and review of financial reports	**14,500**	7,500
Total remuneration for audit services	**14,500**	7,500

(b) Non-audit services

Rothsay Chartered Accountants – independent accountants report	**-**	7,175
Total remuneration for other services	**-**	7,175

17. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Company at balance date.

18. COMMITMENTS

(a) Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

within one year	**600,000**	339,873
later than one year but not later than five years	**-**	-
	600,000	339,873

(b) Lease commitments: Company as lessee

Operating leases (non-cancellable):

Minimum lease payments		
within one year	**51,100**	-
later than one year but not later than five years	**72,392**	-
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	**123,492**	-

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require an annual CPI increase. An option exists to renew the lease at the end of the three-year term for an additional term of three years. The lease allows for subletting of all lease areas.

(c) Remuneration commitments

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in section C of the remuneration report on page 6 that are not recognised as liabilities and are not included in the key management personnel compensation.

within one year	**75,000**	-
later than one year but not later than five years	**-**	-
	75,000	-

19. INTERESTS IN JOINT VENTURES

Warda Warra Project

The Company and AXG Mining Ltd are parties to a farm-in and joint venture letter agreement dated 23 July 2007 whereby the Company may earn up to 80% interest in exploration licences 59/1119, 59/1128, 59/1130 and mining leases 59/50, 59/207 and 59/350 ("Mineral Rights Tenements"). To earn its 80% interest in the Mineral Rights Tenements the Company must spend $200,000 during the first year following admittance to the Official List (19 October 2007) and a further $400,000 within 30 months of admittance.

30 JUNE 2008

	The Company	
	2008	2007
	$	$

20. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21. CASH FLOW STATEMENT

Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(739,898)**	(47,455)
Non-Cash Items		
Depreciation of non-current assets	**12,743**	124
Change in operating assets and liabilities		
(Increase) in trade and other receivables	**(28,922)**	(2,826)
Increase in trade and other payables	**36,368**	24,673
Net cash outflow from operating activities	**(719,709)**	(25,484)

22. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	**(739,898)**	(47,455)

	Number of shares	
	2008	2007
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**26,489,599**	1,701,372

(c) Information on the classification of options

As the Company has made a loss for the year ended 30 June 2008, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 14 to 28 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Company's financial position as at 30 June 2008 and of it's performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the remuneration disclosures set out on pages 5 and 6 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Ron Smit
Managing Director

Perth, 23 September 2008

ROTHSAY

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUXTON RESOURCES LTD

We have audited the accompanying financial report of Buxton Resources Ltd (the Company") which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

The Company has disclosed information as required by Australian Accounting Standard AASB 124 *Related Party Disclosures* ("remuneration disclosures") under the heading "Remuneration Report" in the directors' report as permitted by the Corporations Regulations 2001.

Directors Responsibility for the Financial Report
The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures in the Directors' report comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Chartered Accountants

Audit opinion

In our opinion the financial report of Buxton Resources Ltd is in accordance with the Corporations Act 2001, including:

a) (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards.

c) the remuneration disclosures in the Directors' report comply with AASB 124

Rothsay

Rothsay

Graham Swan
Partner

Dated 23rd September 2008

ASX Additional Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 22 September 2008.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	**Number of shares**
1	-	1,000	2	160
1,001	-	5,000	10	41,178
5,001	-	10,000	155	1,546,750
10,001	-	100,000	108	4,898,012
100,001		and over	57	25,553,910
			332	32,040,010
The number of shareholders holding less than a marketable parcel of shares are:			12	41,338

(b) Escrowed Securities (23 October 2009)

Ordinary Fully Paid Shares	7,366,250	
Options	4,000,000	($0.20, expiry date 30 June 2012)
Options	4,000,000	($0.30, expiry date 30 June 2012)

(c) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	Mr Ron Smit & Mrs Julie Smit	3,205,000	10.00%
2	Klip Pty Ltd	2,241,573	7.00%
3	Montezuma Mining Company Limited	2,010,000	6.27%
4	Perpetual Corporate Trust Ltd (LinQ Resources Fund)	2,000,000	6.24%
5	Mr Henry Wiechecki	1,328,000	4.14%
6	Ridgefield Capital Asset Management LP	1,250,000	3.90%
7	Aradia Ventures Pty Ltd	1,105,000	3.45%
8	Mr Liam Raymond Cornelius	1,000,000	3.12%
9	Duketon Consolidated Limited	750,000	2.34%
10	Clodene Pty Ltd	730,000	2.28%
11	Springtide Capital Pty Ltd	625,000	1.95%
12	Mr Anthony Knight	548,340	1.71%
13	Sonmit Pty Ltd	532,500	1.66%
14	DW Corporate Pty Ltd	518,750	1.62%
15	Archem Trading NZ Limited	500,000	1.56%
16	Mr David Argyle	480,000	1.50%
17	Mr David Flanagan	442,250	1.38%
18	Mr Brian McCubbing	340,000	1.06%
19	Mr Aziz Hussain	250,000	0.78%
20	Bee Dee Investments Ltd	250,000	0.78%
		20,106,413	62.75%

(d) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
Mr Ron Smit & Mrs Julie Smit	3,205,000
Linq Resources Fund	2,000,000
Montezuma Mining Company Limited	2,010,000

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(f) Schedule of interests in mining tenements

Location	Tenement	Percentage held / earning
Western Australia	P20/2018	90%
Western Australia	E20/659	90%
Western Australia	E28/1773	100%
Western Australia	E28/1857	100%
Western Australia	E63/1114	90%
Western Australia	E63/1120	90%
Western Australia	E63/1121	90%
Western Australia	E59/1119	80%
Western Australia	E59/1128	80%
Western Australia	E59/1130	80%
Western Australia	M59/50	80%
Western Australia	M59/207	80%
Western Australia	M59/350	80%

Buxton

Resources Limited

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