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**Board Members**

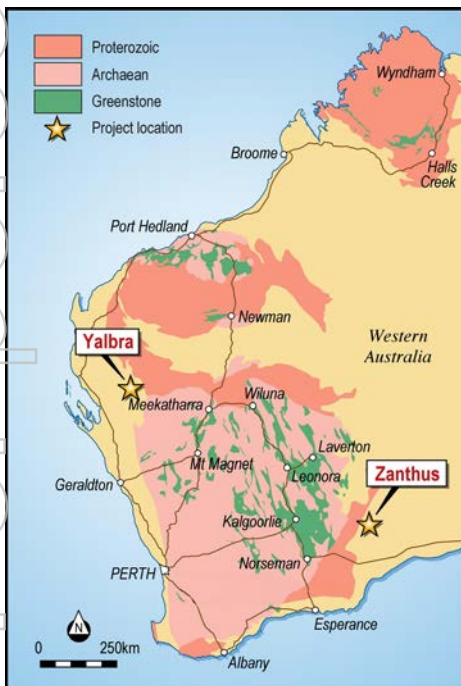
Seamus Cornelius  
Chairman  
Anthony Maslin  
Managing Director  
Julian Stephens  
Non-Executive Director

**Joint Company Secretaries**

Sam Wright  
Jodi Haslinger

**Website**

[www.buxtonresources.com.au](http://www.buxtonresources.com.au)



**Summary & Highlights for the Quarter**

**Highlights:**

- Buxton Resources acquires Yalbra Graphite Project
- Yalbra Graphite exploration target announced
- Zanthus Scoping Study completed
- Discussions with potential Zanthus partners continued

**Events subsequent to the quarter:**

- Sirius Resources NL announces major nickel-copper discovery along strike from Buxton's E28/2201 tenement
- Buxton has identified two base metal and PGE anomalies in historical calcrete sampling over E28/2201

## YALBRA PROJECT

### E09/1985 (85% Buxton)

During the quarter Buxton exercised an option to acquire 85% of the Yalbra Graphite Project in the North West Gascoyne region of Western Australia from Montezuma Mining Ltd.

The Yalbra Graphite Project is located 250 km North West of Meekatharra and 280 km East of Carnarvon, Western Australia (Figure 1). The tenement E09/1985 is in the application stage and covers an area of approximately 37 square kilometres.

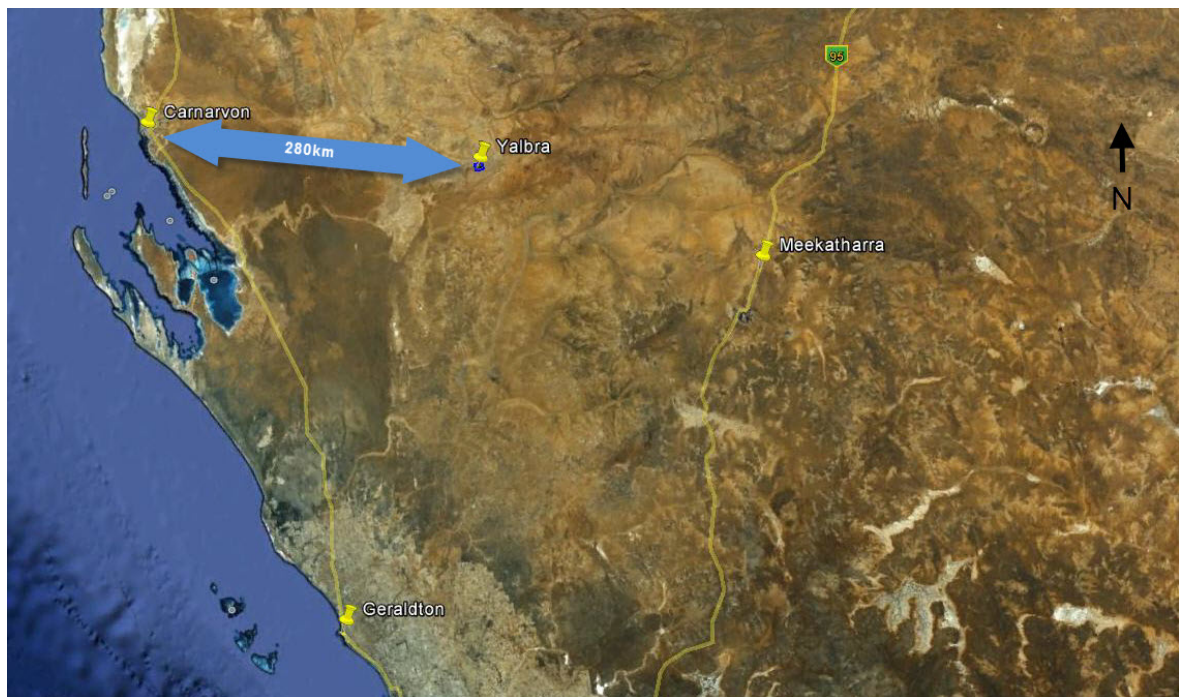


Figure 1: The Yalbra Graphite Project is located 280km east of Carnarvon, WA

## HISTORICAL WORK

In June 1974, a percussion drilling program was undertaken by Carpentaria Exploration Company Pty Ltd. A total of 21 holes were drilled for 856 metres to down-hole depths generally in the order of 40m. Substantial grades and widths of graphite mineralisation were identified in most of the holes drilled (Figure 2).

Historical field observations indicated that the graphite occurs both in disseminated and veinlet styles. Coarse flake graphite was identified in both drilling logs and in a rudimentary metallurgical test of near-surface mineralisation. However, no estimates of the coarse, medium and fine flake ratios were made.

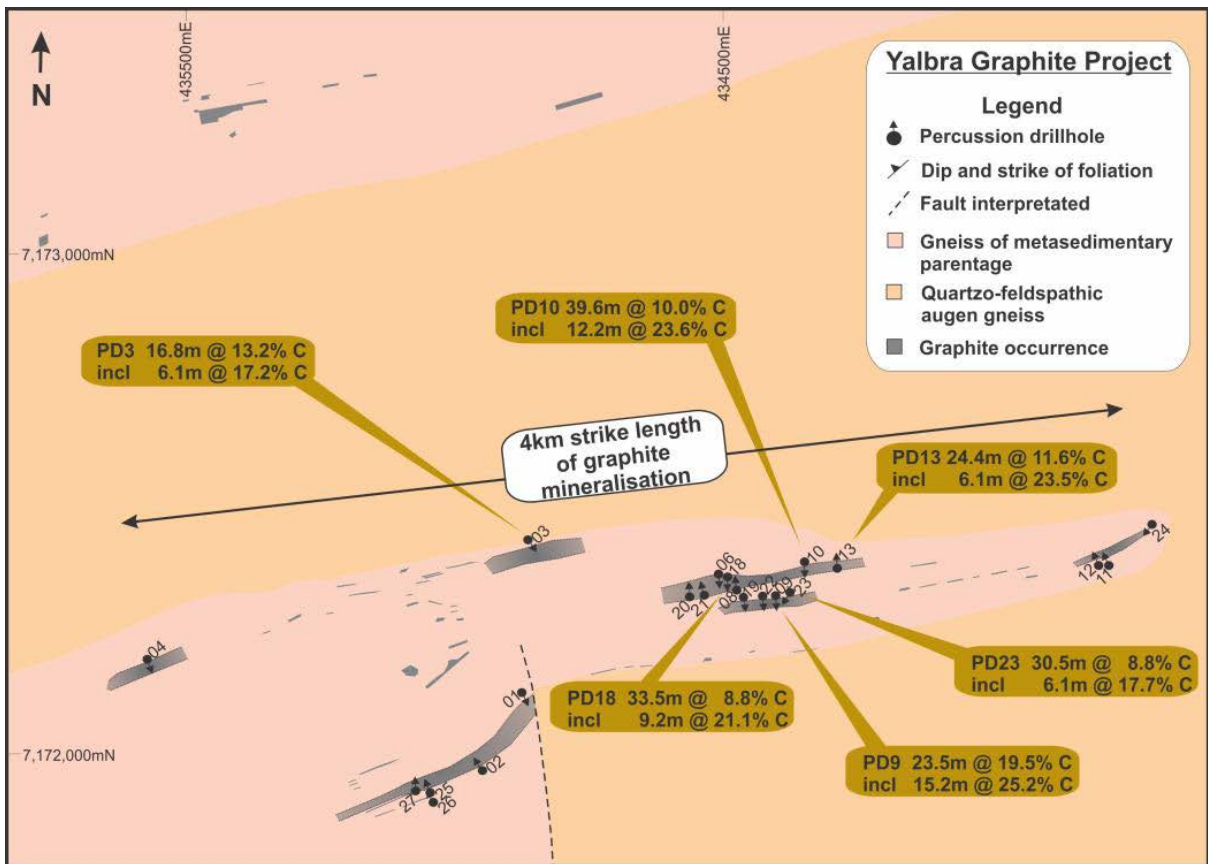


Figure 2: Yalbra Graphite Project – simplified plan of historical drill results and geology and six main zones of graphite mineralisation.

## EXPLORATION TARGET

The availability of historical drilling information allowed Buxton’s geological team to define a preliminary Exploration Target at the Yalbra Graphite Project of;

**8-12 Million Tonnes @ 7-11% C\***

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

Historical drilling results indicate the six discrete zones of graphite mineralisation occur in a broad zone that extends over a strike length of at least 4km. All of the zones are open at depth, and in most cases, are also open along strike. For the purposes of the Exploration Target estimation, Buxton has assumed mineralisation extends to a depth of 150m below surface.

## NEXT STEPS

An initial field reconnaissance and rock chip sampling trip is planned for Q3 2012 subject to contact and access agreement being made with stakeholders, including native title parties and the pastoral lease holder. Buxton is working towards an RC drilling program to start March-April 2013.

## ZANTHUS PROJECT

**E28/1959 (100% Buxton) E28/2201 (100% Buxton)**



- |   |                                      |
|---|--------------------------------------|
| (1) 25km to rail  | Map Legend:                          |
| (2) Buxton tenements:<br>35km to Zanthus railhead                     | — Highways                           |
| (3) Government owned railway:<br>Trans-Australia                      | ++ Railways                          |
| (4) Kalgoorlie to Esperance railway:<br>Infrastructure operator owned | ■ Buxton Tenements                   |
| (5) Esperance Port: expansion planned                                 | ● WA Towns                           |
|   | Zanthus to Kalgoorlie (200km)        |
|   | Kalgoorlie to Esperance Port (400km) |

**Figure 3: The Zanthus Project is located 200km east of Kalgoorlie, WA**

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## **PROJECT LOCATION**

The Zanthus Project is located 200 kms East of Kalgoorlie, 25 kms South of the Trans Australian Railway (1), and 35 kms South South East of the existing Zanthus rail siding (2), (Figure 3).

The rail line from Zanthus to Kalgoorlie is the Trans Australian and is government owned. The rail from Kalgoorlie to Esperance is owned by a private infrastructure operator, as opposed to a competing mining company.

The Western Australian State Government has recently announced a planned expansion to the Esperance Port to facilitate an additional 20 MTpa export capacity. This will be undertaken in conjunction with private operators and submissions are currently being prepared. The State Government has a stated objective of allowing access to those who require it.

## **SCOPING STUDY COMPLETED**

On December 12 2011, Buxton commissioned Runge Ltd to undertake a high level Scoping Study to investigate the potential economic viability of the Zanthus Magnetite Project. The scope of work includes design of a preliminary optimised pit shell, processing, infrastructure, transport and an initial economic model.

The study has provided encouraging results which Buxton believes enhance the potential for Zanthus to be a strongly viable large scale magnetite operation.

## **JOINT VENTURE DISCUSSIONS CONTINUE**

Buxton continued to receive interest from several potential joint venture partners during the quarter. Discussions are progressing at this point.

## **YILGARN IRON PRODUCERS ASSOCIATION (YIPA)**

During the quarter Buxton joined the YIPA Association. The YIPA Association is a registered Not-for-Profit Association under the division of Consumer Protection, Department of Commerce, Western Australia. It promotes sustainable development in the Yilgarn Iron Province and works to promote co-operation on rail, ports and other infrastructure.

Membership of the association is another step forward for Buxton, as it will facilitate relationships with Esperance Port and provide infrastructure upgrade information that will in turn, help progress the company's Zanthus Magnetite Project in the future.

## COST CUTTING MEASURES

To reflect prevailing market conditions, the board has undertaken significant cost cutting measures. The board has chosen to forego board salaries totalling \$136,000 per annum in favour of deferred equity payments.

Several other significant cutbacks have been made to overheads in order to conserve cash. In total, approximately \$270,000 has been cut from the annual budget.

## EVENTS SUBSEQUENT TO THE CONCLUSION OF THE QUARTER

Sirius Resources announced to the ASX on July 26 2012 entitled “Major nickel-copper discovery defines new province”. Buxton’s tenement application E28/2201 is situated approximately 22 kilometres to the North-East of Sirius’ Nova Cu-Ni discovery. Initial investigations by Buxton show two historical base metal and PGE calcrete anomalies on E28/2201 located over equivalent geological positions to the Nova discovery. The Company intends to collate and interpret the historical data for E28/2201, before following up with a substantial exploration program, if warranted.

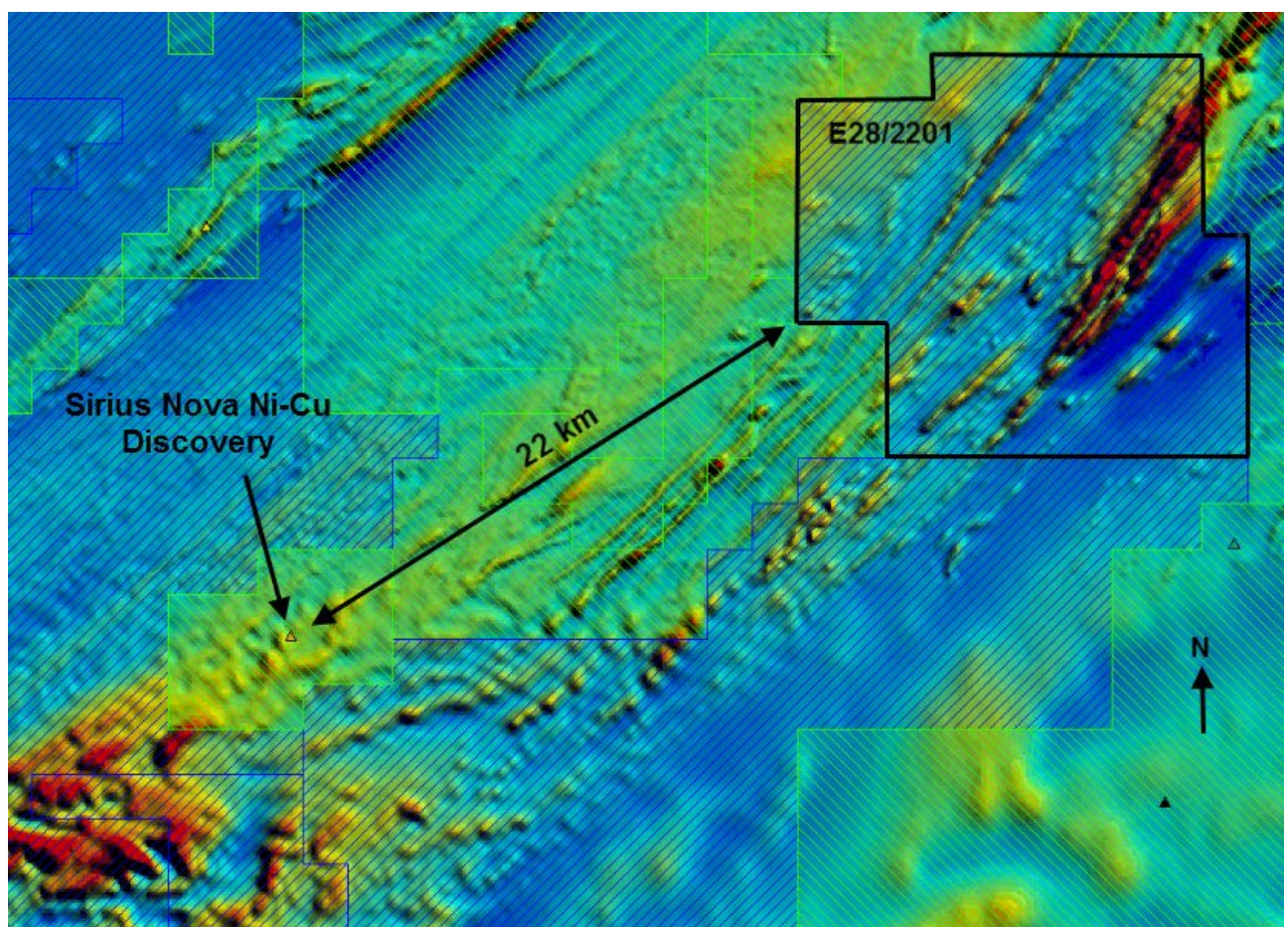


Figure 4: E28/2201 Proximity to Sirius' Nova Discovery

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

For further information regarding Buxton Resources Limited please contact:

**Anthony Maslin**

Managing Director

[amaslin@buxtonresources.com.au](mailto:amaslin@buxtonresources.com.au)

**Jodi Haslinger**

Joint Company Secretary

[jodi@buxtonresources.com.au](mailto:jodi@buxtonresources.com.au)

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