

Quarterly Activities Report for period ending 31st December 2018

Buxton Resources Limited (ASX: BUX or “Buxton”) is pleased to release the quarterly activities report and Appendix 5B for the period ended 31st December 2018 (the Quarter).

Merlin Project

- Fully funded 2019 field season to commence post wet season
- Joint technical committee established (BUX-IGO)
- Deep drilling with downhole EM focus for upcoming exploration
- Buxton granted a 24-month option period for IGO to enter into an Earn-in and Joint Venture at Merlin where;
 - BUX is free carried through to completion of a Feasibility
 - IGO to spend \$8M over 4 years to earn 70%

West Kimberley JV (IGO-BUX)

- Buxton and Independence Group (IGO) entered into a regional Earn-in and Joint Venture Agreement on selected West Kimberley tenure outside the Merlin Project where;
 - BUX is free carried through to completion of a Feasibility
 - IGO to spend \$3M over 4 years to earn 80%
 - IGO reimbursed BUX \$600k for exploration costs to date

Fraser Range JV (IGO-BUX)

- Five priority targets identified at Widowmaker for reverse circulation and diamond drill testing in calendar year 2019
- Buxton retains a 10% free carry position until decision to mine

Corporate

- West Kimberley Project acquisition from New World Cobalt Limited
- Exploration Incentive Scheme Co-funded Drilling funding for Merlin for up to \$150,000 granted for calendar year 2019
- Cash balance (31 December 2018) of approximately \$5.43 million

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Buxton's Double Magic (Merlin) Exploration Success Secures Partnership with Independence Group (IGO)

During the quarter Buxton entered into binding agreements with Independence Group NL (ASX:IGO) to dramatically advance and accelerate the exploration of the Merlin/Double Magic prospect and the greater West Kimberley tenement position (*refer to BUX ASX announcement 29 November 2018*).

IGO subscribed to 15% of Buxton's capital structure via the placement of 20,408,315 ordinary shares at 20 cents per share representing a 35.2% premium to the 20-day VWAP. This raised approximately \$4M. Proceeds will be used to fund the next round of exploration at the Merlin prospect and other work.

In addition, Buxton granted IGO a 24-month option, whereby IGO can earn in and ultimately achieve a 70% JV interest in the Double Magic/Merlin Project by spending AUD \$8,000,000 (exclusive of GST) over a four (4) year period. Buxton will then be free carried to completion of Feasibility.

An additional agreement has been reached between Buxton and IGO where IGO can earn in and ultimately achieve an 80% interest in Buxton's regional tenement land position in the West Kimberley (i.e. outside of the Double Magic/Merlin project area) via an expenditure of AUD \$3,000,000 (exclusive of GST) over a four (4) year period. Once the 80% interest has been achieved, Buxton will be free carried to completion of Feasibility.

The definition of Feasibility has been detailed within the agreements that it would equate to a document that could be used for project financing.

As part of the agreements, IGO have committed to Buxton to underwrite any rights issue to the value of \$2,280,000 within 12 months of the execution date of the agreements.

Eamon Hannon said, "Buxton shareholders should be well pleased that Independence Group with their great technical people and drive for exploration success has partnered with Buxton in the West Kimberley. For the last four years Buxton has technically de-risked a new highly prospective geological province in Western Australia and with the technical and financial support from IGO, exploration success can occur at a far greater pace than what Buxton would achieve on its own. This level of industry support is testament to the great work the small Buxton team has done and the quality of the projects".

A technical committee will be created with representation from both IGO and Buxton to define the next drilling and geophysical programs at Merlin. Buxton will continue to manage the Merlin prospect exploration whilst IGO will undertake management of the West Kimberley regional exploration.

NWCL PROJECT ACQUISITION

During the quarter Buxton entered into an agreement with New World Cobalt Limited (New World) to acquire its West Kimberley Project which comprises New World's interest in three tenements (E04/1972, E04/2314 & E04/2423) adjacent and contiguous to Buxton's flagship Merlin Project (*refer to BUX ASX announcement 6 November 2018 for key terms and additional information*).

Notably, New World's West Kimberley Project includes the north-western along strike continuation of the geological sequence that hosts Buxton's magmatic Ni-Cu-Co sulphide mineralisation at the Merlin Project, thus it is considered highly prospective for additional mineralisation within the Ruins Dolerite.

FRASER RANGE JV

Buxton and IGO entered into a joint venture agreement for two tenements in the Fraser Range, Widowmaker E28/2201 and Zanthus E28/1959, in 2016 whereby Buxton retained a 10% free carry to decision to mine (*refer to BUX ASX announcement 24 August 2016*).

Regional exploration activities by IGO continued during the quarter, with five priority targets on Widowmaker being the most significant identified to date. Buxton eagerly awaits further exploration updates from IGO.

CORPORATE

Buxton continues to meet all necessary expenditure needs and is, per usual, operating with demonstrable financial constraint and responsibility. Cash balance as at 31 December 2018 was approximately \$5.43 million.

Buxton wishes to acknowledge the ongoing support provided by the WA Government through its Exploration Incentive Scheme (EIS) program.

For further information please contact:

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Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Mr. Derek Marshall, Member of the Australasian Institute of Geoscientists, and Mr. Eamon Hannon Fellow of the Australian Institute of Geoscientists. Mr. Marshall and Mr. Hannon are full-time employees of Buxton. Mr. Marshall and Mr. Hannon have sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Marshall and Mr. Hannon consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

**Appendix 1: Changes in interests in mining tenements - Buxton Resources Ltd
01/10/18 – 31/12/18**

Interests in mining tenements relinquished, reduced or lapsed	Tenement	Location	% at beginning of quarter	% at end of quarter

Interest in mining tenements acquired or increased	ELA 80/5285	Kimberley	0	100
	ELA 80/5284	Kimberley	0	100
	ELA 80/5288	Kimberley	0	100
	ELA 80/5287	Kimberley	0	100
	ELA 80/5286	Kimberley	0	100
	ELA 04/2579	Kimberley	0	100
	ELA 04/2578	Kimberley	0	100
	ELA 04/2582	Kimberley	0	100
	ELA 04/2581	Kimberley	0	100
	ELA 04/2580	Kimberley	0	100
	ELA 04/2590	Kimberley	0	100
	ELA 04/2585	Kimberley	0	100
	ELA 04/2584	Kimberley	0	100
	ELA 04/2583	Kimberley	0	100
	ELA 04/2589	Kimberley	0	100
	ELA 04/2588	Kimberley	0	100
ELA 04/2587	Kimberley	0	100	

The mining tenements held at the end of the quarter and their location	E 04/1533	Kimberley	100	100
	E 04/2026	Kimberley	100	100
	E 04/2060	Kimberley	100	100
	E 04/2142	Kimberley	100	100
	E 04/2407	Kimberley	100	100
	E 04/2408	Kimberley	100	100
	E 04/2411	Kimberley	100	100
	E 04/2466	Kimberley	100	100
	E 04/2467	Kimberley	100	100
	E 04/2468	Kimberley	100	100
	E 04/2469	Kimberley	100	100
	E 04/2480	Kimberley	100	100
	ELA 04/2527	Kimberley	100	100
	ELA 04/2530	Kimberley	100	100
	ELA 04/2536	Kimberley	100	100
	ELA 04/2549	Kimberley	100	100
	ELA 04/2550	Kimberley	100	100

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ELA 04/2578	Kimberley	100	100
ELA 04/2579	Kimberley	100	100
ELA 04/2580	Kimberley	100	100
ELA 04/2581	Kimberley	100	100
ELA 04/2582	Kimberley	100	100
ELA 04/2583	Kimberley	100	100
ELA 04/2584	Kimberley	100	100
ELA 04/2585	Kimberley	100	100
ELA 04/2587	Kimberley	100	100
ELA 04/2588	Kimberley	100	100
ELA 04/2589	Kimberley	100	100
ELA 04/2590	Kimberley	100	100
E 09/1985	Gascoyne	100	100
E 28/1959	Fraser Range	10	10
E 28/2201	Fraser Range	10	10
E 28/2620	Yilgarn	100	100
ELA 63/1675	Albany Fraser	100	100
ELA 63/1676	Albany Fraser	100	100
ELA 63/1677	Albany Fraser	100	100
ELA 63/1685	Albany Fraser	100	100
ELA 63/1686	Albany Fraser	100	100
ELA 63/1687	Albany Fraser	100	100
E 63/1720	Albany Fraser	100	100
ELA 77/2237	Yilgarn	100	100
ELA 77/2238	Yilgarn	100	100
E 77/2549	Yilgarn	100	100
ELA 80/5183	Kimberley	100	100
ELA 80/5184	Kimberley	100	100
ELA 80/5284	Kimberley	100	100
ELA 80/5285	Kimberley	100	100
ELA 80/5286	Kimberley	100	100
ELA 80/5287	Kimberley	100	100
ELA 80/5288	Kimberley	100	100
P 04/0269	Kimberley	100	100

Abbreviations and Definitions used in Tenement Schedule:

E Exploration Licence ELA Exploration Licence Application P Prospecting Licence

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