BUXTON RESOURCES

ABN 86 125 049 550

Annual Report
For the year ended 30 June 2019

CORPORATE DIRECTORY

ABN 86 125 049 550

Directors
Seamus Cornelius (Non-Executive Chairman)
Eamon Hannon (Managing Director)
Anthony Maslin (Non-Executive Director)
Feng Xue (Non-Executive Director)
Stuart Fogarty (Non-Executive Director)

Chief Executive Officer
Eamon Hannon

Company Secretary
Sam Wright

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SUBIACO WA 6008

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PO Box 9028
SUBIACO WA 6008

Solicitors
Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe, Western Australia 6011

Share Register
Computershare Investor Services Pty Limited
Level 2, 45 St George's Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2000

Auditors
Rothsay Auditing
Level 1, Lincoln Building
4 Ventnor Avenue
WEST PERTH WA 6005

Stock Exchange
Australian Securities Exchange
Level 40 Central Park
152 – 158 St Gorges Terrace
Perth, Western Australia 6000
ASX code: BUX, BUXO

Website Address
www.buxtonresources.com.au

@BuxtonResources

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Letter from the Chairman

Dear Fellow Shareholder,

On behalf of my fellow directors, it is with pleasure I present to you Buxton Resources Limited's Annual Report for the financial year ended 30 June 2019.

Buxton is well funded and has a tight capital structure which should mean shareholders are well placed to increase their wealth should the company have exploration success. Buxton has several projects with upside potential, through which we will try to realise value for shareholders.

I believe we have a Board and a group of consultants who have the knowledge, breadth of experience and determination to fulfil the objectives of the Company.

I would like to thank the Board, geology team and corporate advisors for their efforts over the past year. Similarly, the Board would like to thank Buxton shareholders for their continued support of the Company.

Seamus Cornelius

Non-Executive Chairman

Review of Operations

Quick Shears (BUX to earn 80%)

With the exciting discovery of fresh outcropping Nickel (Ni), Copper (Cu) sulphides (Figure 1 & 2, *ASX:BUX 28th May 2019*) on the recently acquired tenure from New World Cobalt (*ASX:BUX 6th November 2018*), Buxton introduced this prospect area as Quick Shears.

Figure 1*. Quick Shears outcropping nickel-copper sulphide hand specimen*

Quick Shears is located adjacent and along strike from Merlin (Figure 2). A large gravity high feature in the regional gravity is interpreted as a large package of intrusive mafic-ultramafic rocks (Figure 2), potentially being part of the Ruins Dolerite suite. Mapping and rock chip sampling are ongoing at Quick Shears, with aircore drilling planned for Q3.

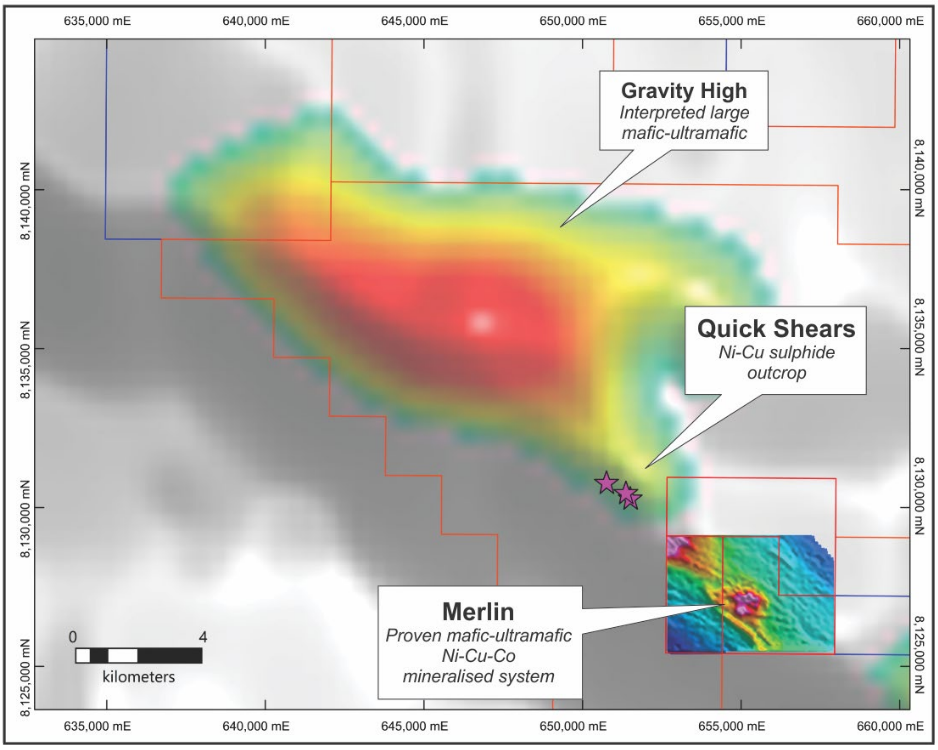

Figure 2*. Recent Ni-Cu discovery at Quick Shears located between proven Ni-Cu-Co mineralised system at Merlin and a large regional gravity high (interpreted mafic-ultramafic intrusive complex)*

Review of Operations

During the year, Buxton updated the market that a recent review of historic helicopter electromagnetics (VTEM) survey data has identified a number of untested electromagnetic (EM) anomalies within the recently acquired Quick Shears Project (*refer ASX:BUX 6th November 2019 for details of Project acquisition*).

Of great significance is the identification of an untested broad wavelength mid-channel EM anomaly that is coincident with recently discovered outcropping nickel copper sulphides and a developing prospect scale gravity high at the boundary of Merlin and Quick Shears (Figure 3).

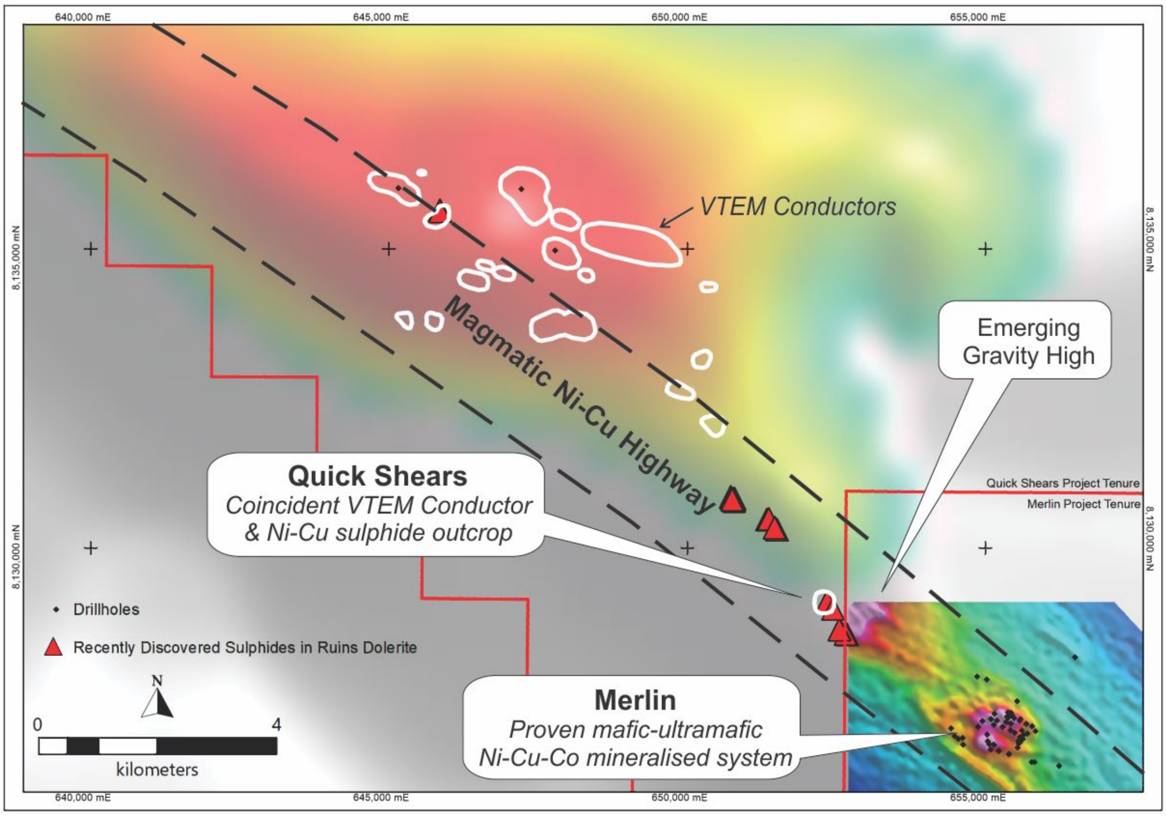

***Figure 3**. Quick Shears interpreted prospective corridor (dashed black lines), showing modelled VTEM conductors (white polygons), recently discovered Ni-Cu sulphide outcrops, over high-resolution ground gravity data at Merlin and a large regional gravity high (interpreted mafic-ultramafic intrusive complex) at Quick Shears*

<u>Merlin (100% BUX, IGO Option)</u>

Buxton's discovery of a high tenor magmatic nickel-copper sulphide mineralised system at Merlin has delivered numerous well-developed zones of Ni-Cu-Co mineralisation.

Merlin a very high metal tenor system (average 8% Ni tenor) with individual assays up to 8.14% Nickel, 5.26% Copper and 0.69% Cobalt

Observed geological characteristics of the intrusive rocks and sulphide mineralisation, including numerous occurrences of brecciated massive sulphide with coarse grained pentlandite and chalcopyrite (e.g., Figure 4) is indicative of a chonolith style mineralised system. These systems are commonly vertically extensive, thus continued exploration at depth is warranted, especially given the high Ni and Cu content (tenor). A detailed moving-loop electromagnetic (EM) survey was completed with the aim to detect any deep conductive sources.

Review of Operations

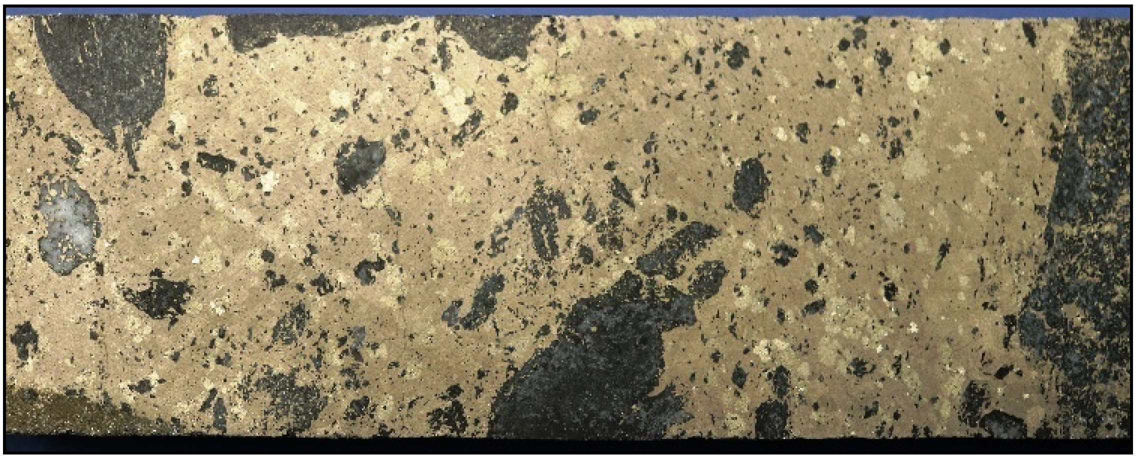

Figure 4*. Brecciated massive sulphide from Merlin, DMDD0014*

The survey, utilising cutting edge low temperature SQUID EM technology, is able to detect conductive material over a kilometre deep within specific geological terrains, such as the highly resistive rocks at Merlin. Observed mineralisation grades and textures, such as brecciation (Figure 4), has become more prevalent at Merlin with depth, so the ability to have a tool to look that deep is mintox.

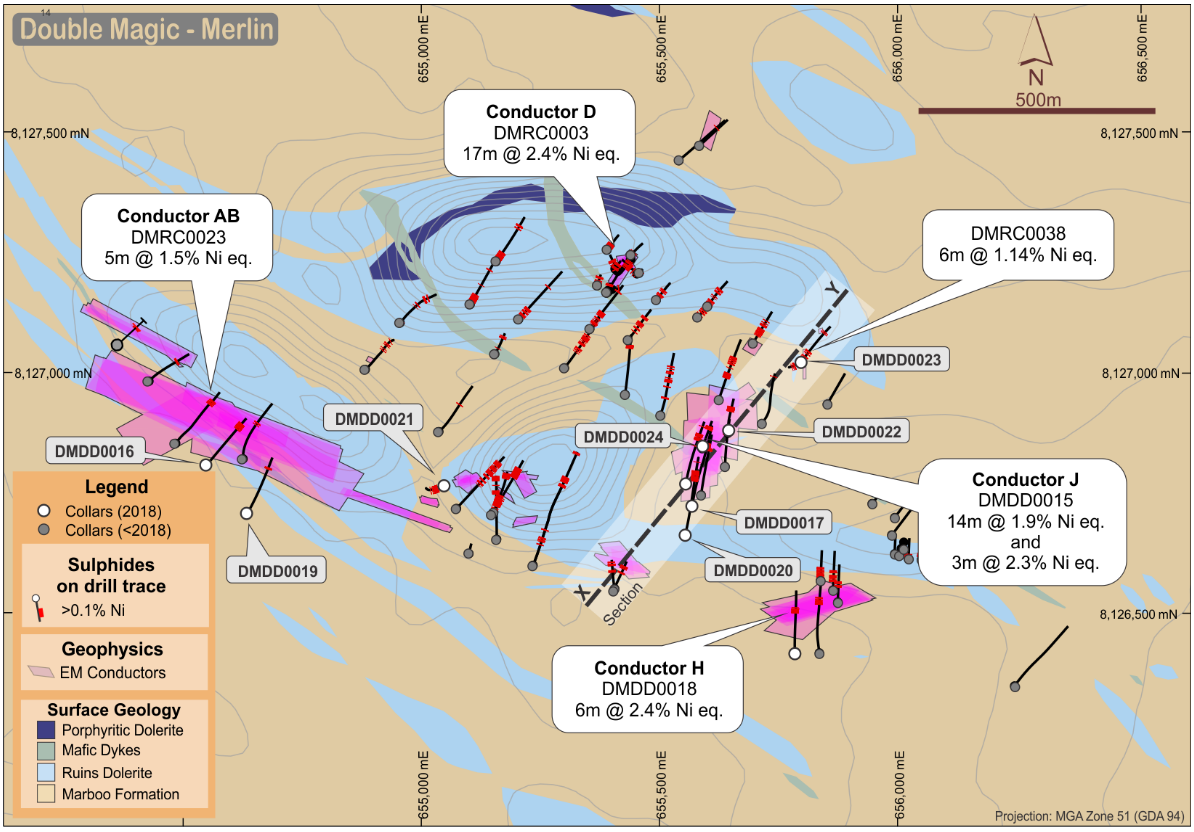

Figure 5*. Plan of the Merlin Prospect, showing drill hole collars and traces, interpreted geology and EM conductors highlighting selected intercepts (previously released ASX:BUX 11th March 2019)*

Buxton entered into binding agreements with Independence Group NL (ASX:IGO) to dramatically advance and accelerate the exploration of the Merlin Prospect, Double Magic Project, with Buxton currently remaining managers (*ASX:BUX Announcement 29 November 2018*).

Review of Operations

West Kimberley Joint Venture

Independence Group NL (ASX:IGO) is currently managing exploration whilst earning into the West Kimberley Project, with Buxton being free carried until completion of a Feasibility Study (*refer to ASX: BUX announcement 29 November 2018 for further information*).

During the year, Buxton updated the market that a further two large tenements (E04/2451 & E04/2462) were acquired by the Buxton and Independence Group (IGO) West Kimberley Joint Venture (WKJV), where IGO are the manager (*BUX ASX 29th Nov 2018).*

With the addition of these tenements the Buxton-Independence Group WKJV, and Buxton standalone tenure, now has an impressive 4,330 km^2 land holding in the highly prospective West Kimberley King Leopold Orogen; a technically de-risked province for magmatic nickel copper sulphide mineralisation.

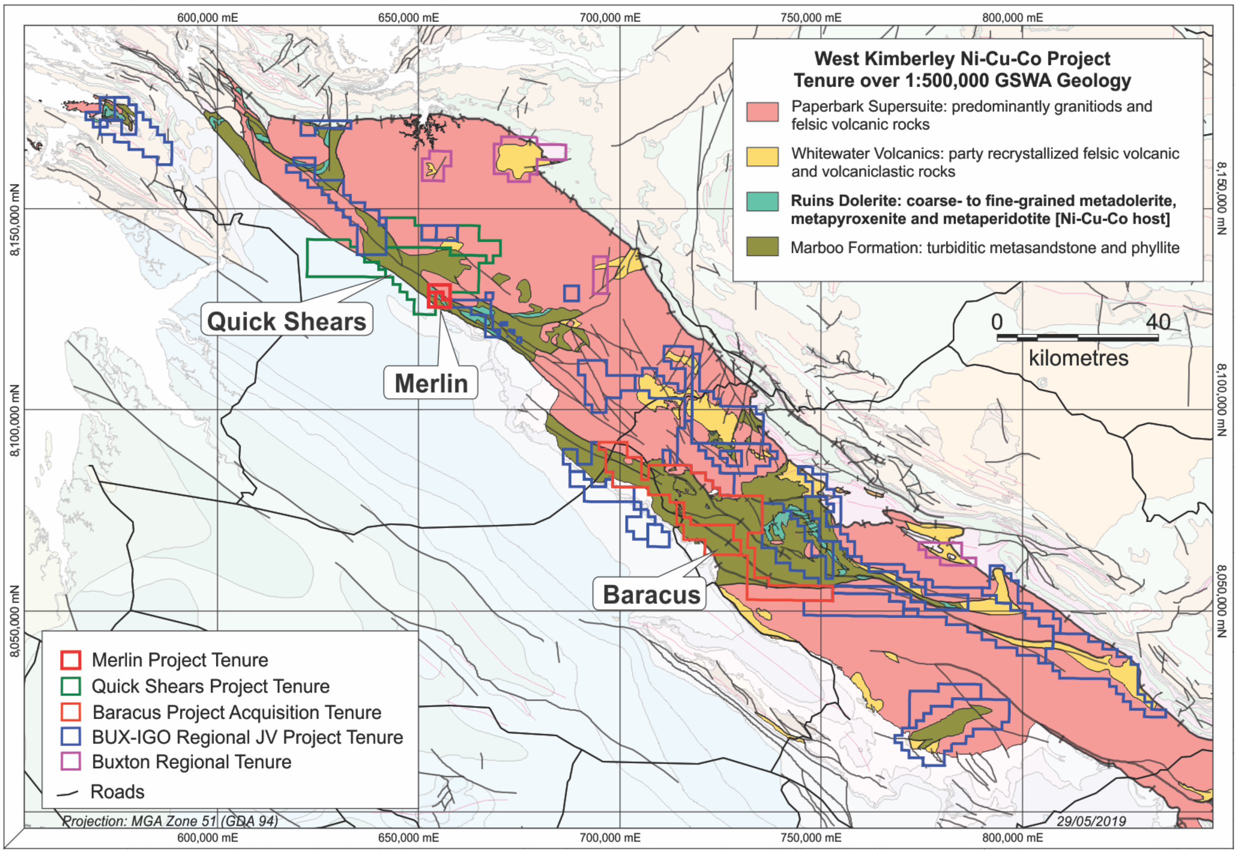

Figure 6. *Buxton's West Kimberley Ni-Cu-Co tenure, highlighting the location of Merlin and Quick Shears Prospects and the Baracus Project Acquisition Tenure over interpreted bedrock geology (GSWA 1:500,000)*

Under the terms of the agreement with private group Baracus Pty Ltd, the WKJV can earn up to 80% of the tenements, where Buxton will be non-contributing party. Once the full earn in milestones have been met Buxton's direct ownership of the tenements will be 16% and free carried to completion of feasibility study; in line with the agreements for all other tenements within the regional Joint Venture agreement.

Review of Operations

Fraser Range Joint Venture

Independence Group has been undertaking systematic greenfields exploration in the Fraser Range targeting Nova style (magmatic Ni-Cu-Co sulphide) discoveries within over ~15,000km2 of regional tenure. Exploration spend has been in the region of ~$20m per annum for several years.

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 and IGO manages all exploration (refer to BUX ASX announcement 24 August 2016).

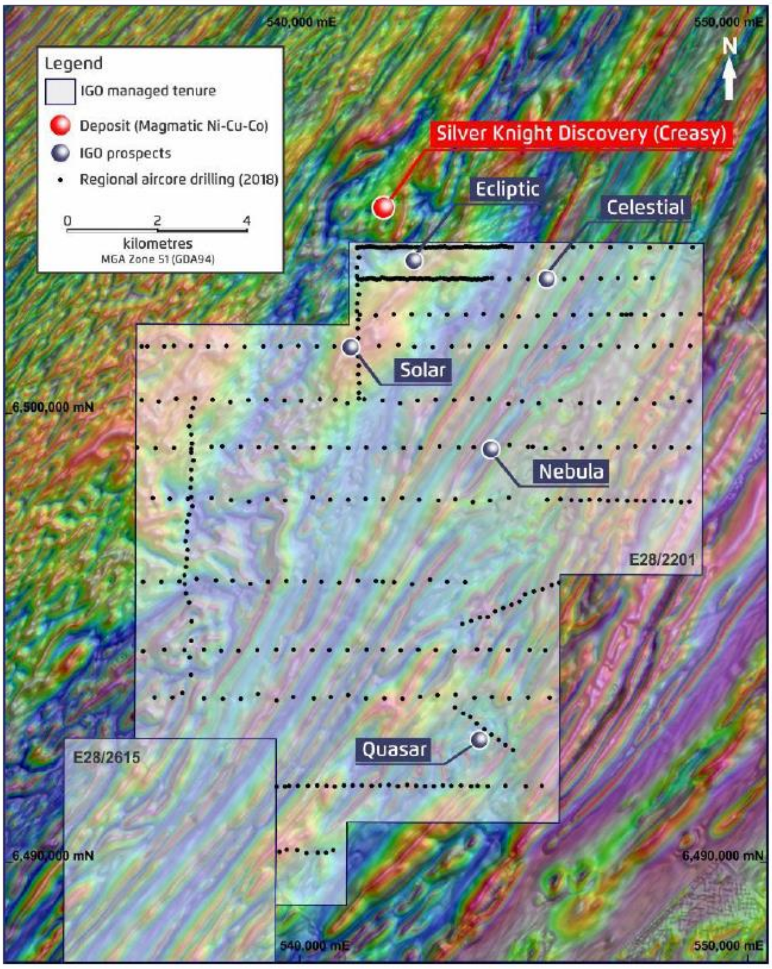

Figure 7. Drill targets at the Widowmaker (E28/2201) BUX-IGO joint venture in the Fraser Range, high priority targets include Ecliptic and Solar Prospects along strike from the Creasy Group Silver Knight Discovery (figure from IGO RIU conference presentation: https://www.asx.com.au/asxpdf/20190221/pdf/442twqw68jgtlq.pdf).

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 and IGO manages all exploration (*refer to BUX ASX announcement 24 August 2016*).

Woodline West Project

Two exploration licences were recently pegged in the southern Yilgarn based on widespread gold anomalism defined in auger sampling by AngloGold during their belt-scale Viking Project. A soil program was completed in August 2019.

Review of Operations

***Figure 8**: Soil Sampling at Buxton's Woodline West Project*

COMPETENT PERSONS STATEMENT

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.

Review of Operations

CORPORATE

During the year total exploration expenditure incurred by the Company amounted to $1,529,653 (2018: $2,579,041). In line with the Company's accounting policies, all exploration expenditure is written off as incurred. The operating loss after income tax for the year ended 30 June 2019 was $2,608,706 (2018: $3,258,505).

During the year the Company raised $4,081,663 from the placement of 20,408,315 shares to Independence Group NL ("IGO") at an issue price of 20 cents. The funds raised were used to fund exploration activity at the Merlin/Double Magic prospect and the West Kimberley tenement position.

The Company also issued 1,333,333 shares to acquire the West Kimberley project from New World Cobalt during the year.

The Company issued a total of 500,000 shares on the exercise of options raising a total of $62,500.

2,962,962 shares were issued at an issue price of 13.5 cents to a drilling contractor in settlement of drilling costs.

Following shareholder approval at a general meeting held on 27 July 2018 the Company issued 5,350,000 to Directors and key staff. The options have an exercise price of 19 cents per option and an expiry date of 30 June 2021.

ANNUAL GENERAL MEETING

Buxton held its Annual General Meeting of Shareholders on 29 November 2018 at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia and all resolutions that were put were unanimously passed on a show of hands.

Directors' Report

Your directors submit their report for the year ended 30 June 2019.

DIRECTORS

The names of the Company's directors in office during the year and until the date of this report are as follows:

Mr Seamus Cornelius - Non-Executive Chairman

Mr Eamon Hannon - Managing Director

Mr Anthony Maslin - Non-Executive Director

Mr Feng Xue – Non –Executive Director

Mr Stuart Fogarty - Non-Executive Director

Directors were in office for this entire period.

COMPANY SECRETARY

Mr Sam Wright

INFORMATION ON DIRECTORS

Mr Seamus Cornelius - **Non-Executive Chairman**

Qualifications: B.Juris, LLB, LLM

Mr Cornelius brings to the Board 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius has been living and working as a corporate lawyer in China for 17 years. He has been based in Shanghai and Beijing since 1993. From 2000 to 2010 he was an international partner with one of Australia's leading law firms and specialized in dealing with cross border investments, particularly in energy and resources. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years has advised Chinese state-owned entities on their investments in natural resource projects outside of China including in Australia.

As well as Buxton Resources Limited, Mr Cornelius is also currently the Chairman of ASX listed Duketon Mining Limited (ASX: DKM), Montezuma Mining Limited (ASX: MZM) and Danakali Limited (ASX:DNK).

Mr Eamon Hannon - **Managing Director**

Qualifications: BSc (Geol)

Mr Hannon, a geologist and Fellow of the AusIMM, has a wealth of experience within the minerals industry from grass roots exploration through to project development., Having previously worked for Fortescue Metals Group (ASX: FMG) from early 2004 to late 2012 in the role of Director, Exploration and Evaluation, he lead the teams to delineate in excess of 10 billion tons of iron ore resources and greater than 1 billion tons of iron ore reserves.

Directors' Report

During his 20 years of experience, Mr Hannon has explored for and developed gold, base metals and industrial materials over 4 continents and more than 10 countries including Tanzania, Mexico, Mongolia, New Zealand, Sweden and Australia. He was integral to the major mining development of the Svartliden gold mine in Scandinavia. In addition, Mr Hannon was the Director for the Bankable Feasibility Study of Fortescue Metals Group's Solomon mine. The Solomon mine at 60 million tons per annum iron ore production was the single biggest tonnage start up mine in Australia's mining history. The feasibility was signed off for construction by the Fortescue Board with full Environmental Approval in under 18 months.

During the past 3 years Mr Hannon has not served as a director of any other listed company.

Mr Anthony Maslin - **Non-Executive Director**

Qualifications: B.Bus (Finance and Enterprise)

Mr Maslin brings to the Board 20 years of corporate experience in both management and promotion, along with an extensive understanding of financial markets.

In his 6 years as a stockbroker at Hartley Poynton Stockbrokers in Perth, Mr Maslin was instrumental in the capital raisings and promotion of several resource development companies. In the subsequent 7 years in his role as founding Managing Director of Solar Energy Systems Ltd (Now Solco Ltd (ASX Code: SOO)) he had significant experience in capital raisings and management of both people and projects. Mr Maslin has also worked as a corporate promotion consultant to a number of listed companies.

Mr Maslin is the founder and current Chairman of ASX listed company Wide Open Agriculture Limited (ASX:WOA)

During the past 3 years Mr Maslin served as a Non-Executive Director of ASX listed Pancontinental Oil & Gas NL (ASX: PCL) and resigned 15 Jan 2016.

Mr Feng Xue - **Non-Executive Director**

Mr. Xue is an experienced mining executive and entrepreneur based in Shanghai. He currently serves as one of the experts on the strategic decision committee of China CEFC Energy Company Limited and as the General Manager of Projects Management & Procurement Centre of China CEFC Energy Company Limited.

During the past 3 years Mr Xue has not served as a director of any other listed company.

Mr Stuart Fogarty - **Non-Executive Director**

Qualifications: B.Sc (Geology) (Hons)

Mr Fogarty has over 20 years of exploration experience with BHP Billiton and Western Mining Corporation. Stuart was BHP's Senior Exploration Manager for North and South America and currently serves as the Managing Director of Duketon Mining.

Mr Fogarty has a very strong background in nickel exploration, having commenced his career at Kambalda Nickel Operations in 1994. He has had senior roles with BHP including Senior Geoscientist for nickel exploration in the Leinster and Mt Keith region, Project Manager WA Nickel Brownfields and Regional Manager Australia/Asia where he was responsible for $100 million per annum exploration budget.

More recently, Mr Fogarty was a Non-executive Director of Windward Resources during the successful takeover of the company by Independence Group.

Directors' Report

Mr Sam Wright - Company Secretary

Mr Wright has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, and shareholder relations with both retail and institutional investors.

He is a member of the Australian Institute of Company Directors, the Financial Services Institute of Australasia, and the Chartered Secretaries of Australia.

Mr Wright is currently Company Secretary of ASX listed companies, Buxton Resources Limited, Structural Monitoring Systems plc and Wide Open Agriculture Limited. He is currently a Non-Executive Director and Company Secretary of ASX listed company, PharmAust Limited. Mr Wright has also filled the role of Director and Company Secretary with a number of unlisted companies.

He is the Managing Director of Western Australian based corporate advisory firm Straight Lines Consultancy, specialising in the provision of corporate services to public companies.

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 Unlisted
Seamus Cornelius	1,582,055	2,600,000
Eamon Hannon	350,000	6,200,000
Anthony Maslin	791,197	3,200,000
Feng Xue	-	1,400,000
Stuart Fogarty	-	1,200,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the acquisition of mining tenements, and the exploration and evaluation 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.

Directors' Report

OPERATING AND FINANCIAL REVIEW

Finance Review

At the reporting date the Company had cash and other financial assets available of $4,729,342 (2018: $2,221,448). Funds are being used to actively pursue the Company's exploration projects.

During the year total exploration expenditure incurred by the Company amounted to $1,529,653 (2018: $2,579,041). In line with the Company's accounting policies, all exploration expenditure is written off as incurred. As part of an agreement with Independence Group NL ("IGO") Buxton received a reimbursement of exploration expenses during the year of $545,455. Other expenses for the year included share-based payments of $668,006 (2018: $nil).and salaries of $848,707 (2018: $539,871).

The operating loss after income tax for the year ended 30 June 2019 was $2,608,706 (2018: $3,258,505).

Operating Results for the Year

Summarised operating results are as follows:

	2019	
	Revenues	Results
	$	$
Revenues and loss from ordinary activities before income tax expense	725,906	(2,608,706)

Shareholder Returns

	2019	2018
Basic loss per share (cents)	(2.06)	(2.95)

Directors' Report

Risk Management

The Board is responsible for ensuring that risks and 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 stakeholder's 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

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the balance date no matters or circumstances have arisen 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.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

Directors' Report

REMUNERATION REPORT (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Buxton Resources Limited for the financial year ended 30 June 2019. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key Management Personnel

The directors and other key management personnel of the Company during or since the end of the financial year were:

Directors

Seamus Cornelius – Non-Executive Chairman

Eamon Hannon - Managing Director

Anthony Maslin – Non-Executive director

Feng Xue – Non-Executive Director

Stuart Fogarty – Non-Executive director

The named persons held their current positions for the whole of the financial year and since the financial year.

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 relevant directors and executive receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits.

Directors' Report

REMUNERATION REPORT (Audited) (continued)

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.

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 as per page 18 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*.

Directors' Report

Remuneration of Key management personnel

Key Management Personnel remuneration for the years ended 30 June 2019 and 30 June 2018:

	Short-term		Post-employment	Share based payments		
	Salary & Fees $	Bonus $	Superannuation $	Share options $	Total	Value of options as proportion of remuneration %
Directors						
Seamus Cornelius						
2019	**40,000**	**-**	**-**	**78,401**	**118,401**	**66.22**
2018	40,000	-	-	-	40,000	-
Eamon Hannon						
2019	**180,000**	**37,736**	**17,100**	**261,334**	**496,170**	**52.67**
2018	155,000	-	14,725	-	169,725	-
Anthony Maslin						
2019	**25,000**	**-**	**2,375**	**78,401**	**105,776**	**74.12**
2018	25,000	-	2,375	-	27,375	-
Feng Xue (1)						
2019	**-**	**-**	**-**	**78,401**	**78,401**	**74.12**
2018	-	-	-	-	-	-
Stuart Fogarty						
2019	**25,000**	**-**	**2,375**	**78,401**	**105,776**	**100.00**
2018	25,000	-	2,375	-	27,375	-
Directors total						
2019	**270,000**	**37,736**	**21,850**	**574,938**	**904,524**	**63.56**
2018	245,000	-	19,475	-	264,475	-

Service agreements

The Company has an Executive Service Agreement with Mr Eamon Hannon.

Under the Agreement, Mr Hannon is engaged by the Company to provide services to the Company in the capacity of Chief Executive Officer for a period of 12 months upon which time the Board will conduct a performance review. Mr Hannon is paid a base salary of $180,000, plus statutory superannuation.

At any time either party may terminate the agreement without cause on 45 days written notice. There is no termination period over and above the Company's statutory obligations.

On 12 December 2018 the Directors resolved to pay a discretionary bonus to Eammon Hannon of $37,736.

Directors' Report

Share-based compensation

On 27 July 2018 shareholders approved the issue of 4,400,000 options to key management personnel as part of their compensation during the year. The options have an exercise price of 19 cents and an expiry date of 30 June 2021. Fair value at grant date was $574,938.

No options were exercised during the year by key management personnel.

3,400,000 options previously granted to key management personnel as part of their compensation lapsed unexercised on 7 November 2018. The fair value of those options was $245,509.

Options granted, exercised or lapsed during the year in relation to key management personnel as part of their remuneration:

	Value of options granted at the grant date $	Value of options exercised at the exercised date $	Value of options lapsed at the date of lapse $
Directors			
Seamus Cornelius	78,401	-	(52,609)
Eamon Hannon	261,334	-	(87,682)
Anthony Maslin	78,401	-	(52,609)
Feng Xue	78,401	-	-
Stuart Fogarty	78,401	-	(52,609)

Key Management Personnel Equity Holdings

2019	Balance at start of the year	Received during the year on the conversion of performance rights	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares					
Directors					
Seamus Cornelius	1,432,055	-	-	150,000	1,582,055
Eamon Hannan	350,000	-	-	-	350,000
Anthony Maslin	791,197	-	-	-	791,197
Feng Xue	-	-	-	-	-
Stuart Fogarty (1)	-	-	-	-	-

2018	Balance at start of the year	Received during the year on the conversion of performance rights	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares					
Directors					
Seamus Cornelius	1,432,055	-	-	-	1,432,055
Eamon Hannan	350,000	-	-	-	350,000
Anthony Maslin	791,197	-	-	-	791,197
Feng Xue	-	-	-	-	-
Stuart Fogarty	-	-	-	-	-

Directors' Report

Key Management Personnel Equity Holdings (continued)

2019	Balance at start of the year	Granted	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Unlisted options							
Directors							
Seamus Cornelius	2,600,000	600,000	-	(600,000)	2,600,000	2,600,000	-
Eamon Hannan	4,200,000	2,000,000	-	(1,000,000)	5,200,000	5,200,000	-
Anthony Maslin	2,600,000	600,000	-	(600,000)	2,600,000	2,600,000	-
Feng Xue	800,000	600,000	-	(600,000)	800,000	800,000	-
Stuart Fogarty	600,000	600,000	-	(600,000)	600,000	600,000	-

2018	Balance at start of the year	Granted	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Unlisted options							
Directors							
Seamus Cornelius	3,100,000	-	-	(500,000)	2,600,000	2,600,000	-
Eamon Hannan	4,200,000	-	-	-	4,200,000	4,200,000	-
Anthony Maslin	3,600,000	-	-	(1,000,000)	2,600,000	2,600,000	-
Feng Xue	800,000	-	-	-	800,000	800,000	-
Stuart Fogarty	1,100,000	-	-	(500,000)	600,000	600,000	-

END OF REMUNERATION REPORT (Audited)

DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Attended	Held
Seamus Cornelius	3	3
Eamon Hannan	3	3
Anthony Maslin	3	3
Feng Xue	-	3
Stuart Fogarty	3	3

Directors' Report

SHARES UNDER OPTION

At the date of this report there are 18,500,000 unlisted options over unissued ordinary shares.

Unlisted options	
Balance at the beginning of the year	19,870,000
Converted during the year	(500,000)
Issued during the year	5,550,000
Lapsed during the year	(6,420,000)
Total number of options outstanding at the date of this report	**18,500,000**

This balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
30 November 2019	15.0	5,600,000
30 November 2019	12.0	7,350,000
30 June 2021	19.0	5,350,000
30 November 2021	15.0	200,000
Total number of options outstanding at the date of this report		**18,500,000**

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 $15,000.

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Rothsay Auditing, or associated entities during the year.

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*.

Directors' Report

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 23.

Signed in accordance with a resolution of the directors.

Seamus Cornelius
Non-Executive Chairman

Perth, 27 September 2019

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Buxton Resources Limited
PO Box 9028
Subiaco WA 6904

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 2019 financial statements; and

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

Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 27th September 2019

Annual Report Disclosure on Corporate Governance

Buxton Resources has established, and continues to refine and improve procedures to ensure a culture of good corporate governance exists and is respected across the Company.

The Company has a written policy designed to ensure compliance with ASX Listing Rules and all other regulatory requirements for disclosures. Additionally the Company has adopted a policy designed to ensure procedures to implement the policy are suitable and effective.

The Board wishes to acknowledge that nothing has come to its attention that would lead it to conclude that its current practices and procedures are not appropriate for an organisation of the size and maturity of the Company. The Corporate Governance Policy and the Company's corporate governance practices is set out on the Company's web site at www.buxtonresources.com.au.

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2019	Notes	The Company	
		2019	2018
		$	$
REVENUE	4	**725,906**	**166,705**
EXPENDITURE			
Depreciation expense		**(25,448)**	**(21,302)**
Employee benefits expense		**(848,707)**	**(539,871)**
Exploration expenses		**(1,529,653)**	**(2,579,041)**
Corporate expenses		**(195,657)**	**(204,231)**
Share based payment expense		**(668,006)**	**-**
Administration costs		**(127,242)**	**(127,322)**
Loss from operating activities		**(2,668,807)**	**(3,305,062)**
Financial income	4	**60,101**	**46,557**
Financial expenses		**-**	**-**
Net financing income		**60,101**	**46,557**
LOSS BEFORE INCOME TAX		**(2,608,706)**	**(3,258,505)**
INCOME EXPENSE	6	**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF BUXTON RESOURCES LIMITED		**(2,608,706)**	**(3,258,505)**
Loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)			
Basic loss per share	24	**(2.06)**	**(2.95)**
Diluted loss per share	24	**(2.06)**	**(2.47)**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

AS AT 30 JUNE 2019

	Notes	The Company 2019	2018
		$	$
CURRENT ASSETS			
Cash and cash equivalents	7	**4,601,342**	**2,083,448**
Trade and other receivables	8	**73,131**	**48,586**
Other financial assets	9	**128,000**	**128,000**
Other current assets	10	**20,564**	**7,838**
TOTAL CURRENT ASSETS		**4,823,037**	**2,267,872**
NON-CURRENT ASSETS			
Exploration Asset	11	**855,195**	**656,862**
Plant and equipment	12	**101,188**	**76,817**
TOTAL NON-CURRENT ASSETS		**956,383**	**733,679**
TOTAL ASSETS		**5,779,420**	**3,001,551**
CURRENT LIABILITIES			
Trade and other payables	13	**124,438**	**122,505**
TOTAL CURRENT LIABILITIES		**124,438**	**122,505**
TOTAL LIABILITIES		**124,438**	**122,505**
NET ASSETS		**5,654,982**	**2,879,046**
EQUITY			
Issued capital	14	**24,234,892**	**19,518,256**
Reserve	15	**1,460,375**	**1,309,172**
Accumulated losses	16	**(20,040,285)**	**(17,948,382)**
TOTAL EQUITY		**5,654,982**	**2,879,046**

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

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2019

The Company	Notes	Issued Capital $	Accumulated Losses $	Share-based payment Reserve $	Total $
BALANCE AT 1 JULY 2017		19,268,256	(15,191,367)	1,810,662	5,887,581
Loss for the year	16	-	(3,258,505)	-	(3,258,505)
TOTAL COMPREHENSIVE LOSS		-	(3,258,505)	-	(3,258,505)
Shares issued on exercise of options		250,000	85,408	(85,408)	250,000
Expiry of options		-	416,082	(416,082)	-
BALANCE AT 30 JUNE 2018		**19,518,256**	**(17,948,382)**	**1,309,172**	**2,879,046**
BALANCE AT 1 JULY 2018		19,518,256	(17,948,382)	1,309,172	2,879,046
Loss for the year	16	-	(2,608,706)	-	(2,608,706)
TOTAL COMPREHENSIVE LOSS		-	(2,608,706)	-	(2,608,706)
Shares issued for project acquisition		193,333	-	-	193,333
Share issued for cash		4,081,663	-	-	4,081,663
Shares issued to settle obligation		400,000	-	-	400,000
Shares issued on exercise of options		62,500	21,352	(21,352)	62,500
Issue of options		-	-	668,006	668,006
Expiry of options		-	495,451	(495,451)	-
Share issue costs		(20,860)	-	-	(20,860)
BALANCE AT 30 JUNE 2019		**24,234,892**	**(20,040,285)**	**1,460,375**	**5,654,982**

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

Statement of Cash Flows

YEAR ENDED 30 JUNE 2019	Notes	The Company	
		2019	2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		697,243	166,293
Payments to suppliers and employees		(1,133,013)	(846,518)
Expenditure on mining interests		(1,573,230)	(2,627,986)
Interest received		58,410	50,734
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**23**	**(1,950,590)**	**(3,257,477)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(49,819)	(2,200)
Proceeds from term deposit investments		-	(128,000)
Payment for exploration interest		(5,000)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(54,819)**	**(130,200)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,481,663	-
Proceeds from conversion of options		62,500	250,000
Payment of share issue costs		(20,860)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**4,523,303**	**250,000**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,517,894**	**(3,137,677)**
Cash and cash equivalents at the beginning of the financial year		2,083,448	5,221,125
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	**4,601,342**	**2,083,448**

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

Notes to the Financial Statements

30 JUNE 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for Buxton Resources Limited as an individual entity. The financial statements are presented in the Australian currency. Buxton Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 30 September 2019. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

Compliance with IFRS

The financial statements of Buxton Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(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 applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 reporting 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 is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

(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 profit or loss 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 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 20). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss 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 statement of cash flows 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 statement of financial position.

(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 reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(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 reporting 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.

Notes to the Financial Statements

Financial assets - reclassification

The Company may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

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 statement of profit or loss and other comprehensive income. 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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income 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 statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss and other comprehensive income.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Notes to the Financial Statements

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 50% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 statement profit or loss and other of comprehensive income. 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, excluding the costs of acquiring tenements, are expensed as incurred. Acquisition costs will be assessed on a case by case basis and, if appropriate, they will be capitalised. These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

- They are expected to be recouped through successful development and exploitation of the area of interest or;
- The activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of Profit or Loss and Other Comprehensive Income in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(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 owners 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 statement of financial position.

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.

Notes to the Financial Statements

(o) Application of new and revised International Financial Reporting Standards (AASBs)
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.
Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.
The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2018.

(p) New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company does not have any long term lease agreements (of over one year) therefore, the adoption of the new leases standard will not have a material impact.

Notes to the Financial Statements

(p) Critical accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions:
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model and is based on the assumptions detailed in Note 9.

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 Chief Executive Officer, 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 balance of cash and cash equivalents for the Company subject to interest rate risk is $4,601,342 (2018: $2,083,448). 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 1.80% (2018:1.27%).

Sensitivity analysis

At 30 June 2019, if interest rates had changed by -/+ 100 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 $33,424 lower/higher (2018: $20,835 -/+ 100 basis points) 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 statement of financial position 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 statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

Notes to the Financial Statements

(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.

Notes to the Financial Statements

3. SEGMENT INFORMATION

AASB 8: *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital.

Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

The Company operates in one business segment and one geographical segment, namely mineral exploration industry in Australia only. AASB 8: *Operating Segments* states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all their segments into one reportable operating segment.

The revenues and results of this segment are those of the Company as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Company and are set out in the statement of financial position.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Company's accounting policies.

	The Company	
	2019	2018
	$	$
Exploration segment		
Segment revenue	718,906	160,105
Reconciliation of segment revenue to total revenue before tax:		
Other revenue	7,000	6,600
Interest revenue	60,101	46,557
Total revenue	786,007	213,262
Segment results	(1,190,534)	(2,703,450)
Reconciliation of segment result to net loss before tax:		
Share based payments	(668,006)	-
Other corporate and administration expenses	(750,166)	(555,055)
Net loss before tax	(2,608,706)	(3,258,505)
Segment operating assets	918,504	722,917
Reconciliation of segment operating assets to total assets:		
Other coporate and administration assets	4,860,916	2,278,634
Total assets	5,779,420	3,001,551

4. REVENUE

From continuing operations		
Interest	60,101	46,557
Sale of exploration interest		-
Reimbursement of costs	568,906	-
Exploration grant	150,000	150,000
Other revenue	7,000	16,705
	725,906	166,705

Notes to the Financial Statements

	The Company	
	2019	2018
	$	$
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Minimum lease payments relating to operating leases	**23,950**	23,950
Defined contribution superannuation expense	**46,450**	46,450
6. INCOME TAX		
(a) The prima facie income tax expenses on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before tax from continuing operations	**(2,608,706)**	(3,258,505)
Tax at the applicable tax rate of 27.5% (2018: 27.5%)	**(717,394)**	(896,089)
Impact from reduction in tax rate on unrecognised tax losses	**117,156**	117,156
Effect of expenses which are not deductible in determining taxable profit	**184,055**	116
Effect of Exploration Development Incentive (EDI)	**-**	937,393
Effect of temporary differences that would be recognised directly in equity	**5,736**	-
Movements in unrecognised temporary differences	**(75,037)**	(48,469)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**485,484**	(110,107)
Income tax expense	**--**	-
(b) Unrecognised temporary differences		
Deferred Tax Assets at 27.5% (2018: 27.5%)		
On Income Tax Account		
Capital raising costs	**53,996**	121,400
Legal costs - capital	**12,077**	
Accruals	**6,600**	24,243
Carry forward tax losses	**4,159,192**	3,221,800
	4,231,865	3,367,443
Deferred Tax Liabilities at 27.5% (2018: 27.5%)		
Prepayments	**5,127**	2,377
Unearned income	**895**	1,579
	6,022	3,956
7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	**4,601,342**	2,083,448
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**4,601,342**	2,083,448

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

Notes to the Financial Statements

	The Company	
	2019	2018
	$	$
8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Sundry Debtor	**39,010**	8,088
Accrued Interest	**3,255**	1,565
GST Receivable	**30,866**	38,933
	73,131	48,586
9. OTHER FINANCIAL ASSETS		
Held-to-maturity investments	**128,000**	128,000
	128,000	128,000

Held-to –maturity investments comprise bank term deposits with a maturity of over 3 months

10. OTHER CURRENT ASSETS		
Deposits	**1,920**	1,920
Prepayments	**18,644**	5,918
	20,564	7,838
11. NON-CURRENT ASSETS – EXPLORATION ASSETS		
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening net book amount	**656,862**	656,862
Acquisition - issue of shares	**193,333**	-
Acquisition - cash	**5,000**	-
Closing net book amount	**855,195**	656,862

The ultimate recoupment of costs carried forward for tenement acquisition is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT		
Plant and equipment		
Cost	**135,307**	93,115
Accumulated depreciation	**(92,601)**	(82,499)
Net book amount	**42,706**	12,816
Motor vehicles		
Cost	**126,091**	116,264
Accumulated depreciation	**(67,609)**	(52,263)
Net book amount	**58,482**	64,001
	101,188	76,817
Plant and equipment		
Opening net book amount	**12,816**	15,226
Additions	**39,992**	2,200
Disposals	**-**	-
Depreciation charge	**(10,102)**	(4,610)
Closing net book amount	**42,706**	12,816

Notes to the Financial Statements

	The Company 2019 $	The Company 2018 $
Motor vehicles		
Opening net book amount	**64,001**	80,693
Additions	**9,827**	-
Depreciation charge	**(15,346)**	(16,692)
Closing net book amount	**58,482**	64,001
	101,188	76,817

13. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2019	2018
Trade payables	**47,422**	50,856
Other payables and accruals	**77,016**	71,649
	124,438	122,505

14. ISSUED CAPITAL

(a) Share capital

	Notes	2019 Number of shares	2019 $	2018 Number of shares	2018 $
Ordinary shares fully paid	14(b), 14(d)	**136,055,432**	**24,234,892**	110,850,822	19,518,256
Total issued capital		**136,055,432**	**24,234,892**	110,850,822	19,518,256

(b) Movements in ordinary share capital

	2019 Number of shares	2019 $	2018 Number of shares	2018 $
Beginning of the financial year	**110,850,822**	**19,518,256**	108,850,822	19,268,256
Issued for project acquisition	**1,333,333**	**193,333**	-	-
Issued for cash	**20,408,315**	**4,081,663**	-	-
Issued on conversion of options	**500,000**	**62,500**	2,000,000	250,000
Issued to drilling contractor	**2,962,962**	**400,000**	-	-
Share issue costs		**(20,860)**		-
End of the financial year	**136,055,432**	**24,234,892**	110,850,822	19,518,256

(c) Movements in options on issue

Unlisted	Number of options 2019	Number of options 2018
Beginning of the year	**19,870,000**	25,625,000
Issued during the year	**5,550,000**	-
Exercised during the year	**(500,000)**	(2,000,000)
Expired during the year	**(6,420,000)**	(3,755,000)
End of the year	**18,500,000**	19,870,000

(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.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Notes to the Financial Statements

14. ISSUED CAPITAL

(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 2019 and 30 June 2018 is as follows:

	The Company	
	2019	2018
	$	$
Cash and cash equivalents	**4,601,342**	2,083,448
Trade and other receivables	**73,131**	48,586
Other financial assets	**128,000**	128,000
Trade and other payables	**(124,438)**	(122,505)
Working capital position	**4,678,035**	2,137,529

15. RESERVES

Share-based payment reserve		
Balance at beginning of year	**1,309,172**	1,810,662
Exercise of options during the year	**(21,352)**	(85,408)
Expiry of options during the year	**(495,451)**	(416,082)
Issue of options during the year	**668,006**	-
Balance at end of year	**1,460,375**	1,309,172

Option reserve

The share-based payment reserve is used to record the value of options issued by the Company.

16. ACCUMULATED LOSSES

	The Company	
	2019	2018
	$	$
Accumulated losses		
Balance at beginning of year	**(17,948,382)**	(15,191,367)
Exercise of options during the year	**21,352**	85,408
Expiry of options during the year	**495,451**	416,082
Net loss for the year	**(2,608,706)**	(3,258,505)
Balance at end of year	**(20,040,285)**	(17,948,382)

17. DIVIDENDS

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

Notes to the Financial Statements

18. DIRECTORS AND EXECUTIVES DISCLOSURES

The aggregate compensation made to directors and other key management personnel of the Company is set out below:

	The Company	
	2019	**2018**
Short-term benefits	**307,736**	245,000
Post-employment benefits	**21,850**	19,475
Share based payments	**574,939**	-
	904,525	264,475

Detailed remuneration disclosures are provided in the remuneration report on page 26.

19. REMUNERATION OF AUDITORS

	The Company	
	2019	**2018**
	$	**$**
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:		
Audit services		
Rothsay Auditing - audit and review of financial reports	**31,000**	30,000
Total remuneration for audit services	**31,000**	30,000

20. CONTINGENCIES

Contingent liabilities

As part of the agreement entered into with New World Cobalt Limited during the year to acquire the West Kimberley project (“the project”) the following contingent liabilities apply:

Within 5 days of Buxton announcing it has intersected on drilling on the project, on a grade-thickness basis, >20%m Ni equivalent, providing the grade of the mineralisation intersected is >1.5% Ni equivalent (eg. >10m @ 2.0% Ni or >13.33m @ 1.5% Ni), the issue of a number of shares equal to $250,000;

Within 5 days of Buxton announcing that it has a JORC compliant resource (inferred, indicated and/or measured; of any size and/or grade; for any commodity) within the project, the issue of shares equal to $250,000; and

Within 5 days of Buxton announcing it has a JORC compliant resource that exceeds 15,000 tonnes of contained nickel equivalent within the project, the issue of shares equal to $500,000.

In each case the number of shares to be issued to new World Cobalt Limited will be based on the 10 day VWAP prior to the date on which each relevant milestone is met.

Other than the above here are no material contingent liabilities or contingent assets of the Company at balance date.

Notes to the Financial Statements

21. 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:

	2019	2018
	$	$
within one year	**543,500**	897,220
later than one year but not later than five years	**2,174,000**	3,588,880
	2,717,500	4,486,100

(b) Lease commitments: Company as lessee

	2019	2018
	$	$
within one year	**1,977**	1,950
later than one year but not later than five years	**-**	-
	1,977	1,950

Notes to the Financial Statements

22. 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.

	The Company	
	2019	2018
	$	$
23. NOTE TO STATEMENT OF CASH FLOWS		
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(2,608,706)**	(3,258,505)
Non-Cash Items		
Depreciation of non-current assets	**25,448**	21,302
Share-based payments	**668,006**	-
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(24,545)**	21,163
(Increase)/decrease in prepayments	**(12,726)**	806
Increase/(decrease) in trade and other payables	**1,933**	(42,243)
Net cash outflow from operating activities	**(1,950,590)**	(3,257,477)

	The Company	
	2019	2018
	$	$
24. LOSS PER SHARE		
(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	**(2,608,706)**	(3,258,505)

	Number of shares	
	2019	2018
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used in calculating basic loss per share	**126,338,548**	110,585,069
Options over ordinary shares	**18,500,000**	21,555,452
Weighted average number of shares used in calculating diluted loss per share	**144,838,548**	132,140,521
Basic loss per share (cents per share)	**(2.06)**	(2.95)
Diluted loss per share (cents per share)	**(2.06)**	(2.47)

For 2019 none of the options over ordinary shares are considered dilutive as the share price is lower than the exercise price of all options on issue, therefore the diluted loss per share is equal to that of the basic loss per share.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 25 to 43 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 2019 and of its performance for the financial year ended on that date;

(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) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

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.

Seamus Cornelius

Non-Executive Chairman

Perth, 27 September 2019

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUXTON RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Buxton Resources Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Cash and cash equivalents

The Company's cash and cash equivalents make up 80% of total assets by value and are considered to be the key driver of the Company's operations and exploration activities. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures over the existence of the Company's cash and cash equivalents included but were not limited to:

- Documenting and assessing the processes and controls in place to record cash transactions;
- Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded appropriately in the general ledger; and
- Agreeing 100% of cash holdings to independent third party confirmations.

We have also assessed the appropriateness of the disclosures included in notes 1 and 7 to the financial report.

Exploration and evaluation expenditure

The Company incurred significant exploration and evaluation expenditure during the year. We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, they are considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures in assessing the exploration and evaluation expenditure included but were not limited to the following:

- We obtained evidence that the Company has valid rights to explore in the areas represented by the exploration and evaluation expenditure by confirming a sample of the Company's tenement holdings;
- We enquired of management and reviewed work programs on exploration and evaluation on the mineral resources in the Company's areas of interest and cross referenced these discussions to ASX announcements and where applicable minutes of directors' meetings;
- We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and
- Documenting and assessing the processes and controls in place to record exploration and evaluation transactions.

We have also assessed the appropriateness of the disclosures included in Notes 1 and 11 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2019.

In our opinion the remuneration report of Buxton Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Auditing

Rolf Garda
Partner

Dated 27th September 2019

ASX Additional Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. Unless otherwise stated, the information is current as at 25 September 2019.

(a) Distribution of equity securities

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

Range of Units As Of 9/25/2019 **Composition : ORD**

Range	Total holders	Units	% Units
1 - 1,000	64	8,950	0.01
1,001 - 5,000	192	676,774	0.50
5,001 - 10,000	250	2,110,656	1.55
10,001 - 100,000	629	26,197,363	19.25
100,001 Over	212	107,061,689	78.69
Rounding			**0.00**
Total	**1,347**	**136,055,432**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.1000 per unit	5,000	212	465,724

(b) Substantial shareholders

At the date of this report the following shareholders had lodged substantial shareholder notices with the Company, in accordance with section 671B of the *Corporations Act 2001* are:

1. Independence Group NL is a substantial shareholder holding a relevant interest in 20,408,315 shares representing 15% of the voting power.
2. National Business Holding (VU) Ltd is a substantial shareholder holding a relevant interest in 10,841,659 shares representing 7.97% of the voting power.

(c) Voting rights

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

(d) Twenty largest shareholders

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

ASX Additional Information

BUXTON RESOURCES LIMITED — **ORDINARY FULLY PAID SHARES (Total)**

Top Holders (Grouped) As Of 9/25/2019 — **Composition : ORD**

Rank	Name	Units	% Units
1	ZERO NOMINEES PTY LTD	20,408,315	15.00
2	NATIONAL BUSINESS HOLDING (VU) LTD	10,841,659	7.97
3	A & R DEARLOVE PTY LTD <ANT & RENAES SUPER FUND A/C>	3,649,000	2.68
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,488,554	1.83
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,127,832	1.56
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,870,539	1.37
7	MR PETER JOHNSON	1,720,000	1.26
8	MR SEAMUS CORNELIUS	1,503,930	1.11
9	SFN HOLDINGS PTY LTD	1,481,481	1.09
10	MS CASEY LANCEE	1,400,000	1.03
11	NEW WORLD COBALT LIMITED	1,333,333	0.98
12	MR ANTHONY MICHAEL DEARLOVE + MS RENAE CLARE EVA	1,189,966	0.87
13	MR DAVID COLIN HARTRIDGE	1,071,615	0.79
14	MS JULIE ANNE GOOD	1,041,279	0.77
15	MR BRADLEY PETER BRYANT + MRS JOSEPHINE ALEXANDA BRYANT <B & J BRYANT A/C>	1,005,435	0.74
16	MR RICHARD HENRY GARDINER	1,001,000	0.74
17	FAERIE'S KNOB PTY LTD <BISHOP FAMILY S/F A/C>	1,000,000	0.73
17	MR RICHARD CHALLINOR HAYES	1,000,000	0.73
17	PARKRANGE NOMINEES PTY LTD <PARKRANGE INVESTMENT A/C>	1,000,000	0.73
20	HENRY BERRY CORPORATION LIMITED	971,000	0.71
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**58,104,938**	**42.71**
	Total Remaining Holders Balance	**77,950,494**	**57.29**

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(e) Schedule of interests in mining tenements

E 04/1533	Kimberley	100
E 04/2026	Kimberley	100
E 04/2060	Kimberley	100
E 04/2142	Kimberley	100
E 04/2407	Kimberley	100
E 04/2408	Kimberley	100
E 04/2411	Kimberley	100
E 04/2466	Kimberley	100
E 04/2467	Kimberley	100
E 04/2468	Kimberley	100
E 04/2469	Kimberley	100
E 04/2480	Kimberley	100
E 04/2583	Kimberley	100
ELA 04/2527	Kimberley	100
ELA 04/2530	Kimberley	100
ELA 04/2536	Kimberley	100
ELA 04/2549	Kimberley	100
E 04/2550	Kimberley	100
ELA 04/2578	Kimberley	100
ELA 04/2579	Kimberley	100
ELA 04/2580	Kimberley	100
ELA 04/2581	Kimberley	100
E 04/2582	Kimberley	100
ELA 04/2583	Kimberley	100
ELA 04/2584	Kimberley	100
ELA 04/2585	Kimberley	100
ELA 04/2587	Kimberley	100
E 04/2588	Kimberley	100
ELA 04/2589	Kimberley	100
E 04/2590	Kimberley	100
ELA 04/2629	Kimberley	100
ELA 04/2630	Kimberley	100
ELA 04/2631	Kimberley	100
ELA 04/2636	Kimberley	100
E 09/1985	Gascoyne	100
ELA 15/1719	Yilgarn	100
E 28/1959	Fraser Range	10
E 28/2201	Fraser Range	10
E 28/2620	Yilgarn	100
ELA 28/2922	Yilgarn	100
ELA 63/1675	Albany Fraser	100

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ELA 63/1676	Albany Fraser	100
ELA 63/1677	Albany Fraser	100
ELA 63/1685	Albany Fraser	100
ELA 63/1686	Albany Fraser	100
ELA 63/1687	Albany Fraser	100
E 63/1720	Albany Fraser	0
ELA 77/2237	Yilgarn	100
ELA 77/2238	Yilgarn	100
E 77/2549	Yilgarn	100
E 80/5183	Kimberley	100
ELA 80/5184	Kimberley	100
ELA 80/5284	Kimberley	100
ELA 80/5285	Kimberley	100
ELA 80/5286	Kimberley	100
ELA 80/5287	Kimberley	100
ELA 80/5288	Kimberley	100
P 04/0269	Kimberley	100