

ASX Release

23rd July 2014

Quarterly Activities Report For the period ending 30 June 2014

Highlights

Zanthus Ni & Cu – Fraser Range

- First ever drill program identifies abundant, definitively ***magmatic*** sulphide blebs of intergrown pyrrhotite (Fe), crystalline pentlandite (Fe+Ni) and some chalcopyrite (Fe+Cu) within ultramafic rock at Oaktree South
- The presence of magmatic nickel and copper sulphides support the high prospectivity of the host ultramafic unit for nickel-copper sulphide mineralization
- Widespread ultramafic and associated gabbro units with substantial content of pyrrhotite (some zones >5%) and locally minor nickel sulphide minerals were intersected in a total of 6 drill-holes
- MLTEM survey defines new conductor at Oaktree North
- MLTEM response at Oaktree North is stronger than that at Oaktree South and could represent massive or semi-massive Ni-Cu sulphides
- ~1,000m RC drill program planned to test the newly defined conductor plus additional encouraging anomalies confirmed during Buxton's maiden Ni-Cu drill program

Yalbra Graphite – Gascoyne Region

- ~ 1,750m combined RC & diamond drilling program commenced in May at the Yalbra Graphite Project and was completed in July
- Program objectives included:
 - Resource expansion
 - Upgrade existing resource to facilitate scoping study
 - Diamond drilling for metallurgical testing
- Assay results to be reported when received

Corporate

- Cash balance (30 June 2014) of \$1.3 million
- Hartleys Limited Issues Research Note

Zanthus – Fraser Range

Buxton Resources announced on 14th May 2014 that the RC drilling program at the Zanthus Ni-Cu Project has confirmed the presence of ultramafic and mafic units. These include those that contain preserved magmatic nickel-copper sulphides (Figure 1) at the Oaktree Prospect.

The occurrence of definitively identified magmatic nickel sulphides is indicative of sulphide saturation occurring at an early magmatic stage, before substantial amounts of nickel sequestering silicates (olivine, pyroxenes) were able to crystallise. As such, the confirmed presence of these magmatic nickel-copper sulphides indicates excellent prospectivity for larger, potentially economic accumulations of nickel-copper sulphide mineralisation, for example along strike or at depth

Important observations from the drilling program include;

- Confirmed *magmatic* nickel-copper sulphides within ultramafic rock
- Thick intercepts of ultramafic to mafic (gabbro) rocks with weak to strongly disseminated sulphides (mainly pyrrhotite)
- Confirmation of the broad geology interpreted from previous magnetic, gravity and electromagnetic surveys

Overall, the geology of the project area is very complex (Figure 2). However, it has now been confirmed to contain large, gabbro-dominant, ovoid, mafic-ultramafic bodies that variably daylight and are locally capped by country rock paragneisses (derived from sedimentary parent rocks). Numerous thinner intercepts of gabbro that occur around the margins of the ovoid bodies and within paragneiss caps indicate a high density of associated smaller mafic-ultramafic bodies, possibly as dykes and/or sills.

Drilled ground EM conductors have been shown to be either;

- Gabbro-ultramafic with weak to strong disseminated sulphides, including magmatic nickel-copper sulphides. These are considered to be important indicators for possible nickel-copper sulphide mineralisation
- Paragneisses with weak to strong disseminated pyrrhotite and pyrite – not considered economically significant targets
- Graphitic gneisses – considered flake graphite targets
- Unexplained – drill holes have not reached target depth due to difficult ground conditions or have intersected rocks that do not explain the ground EM conductors

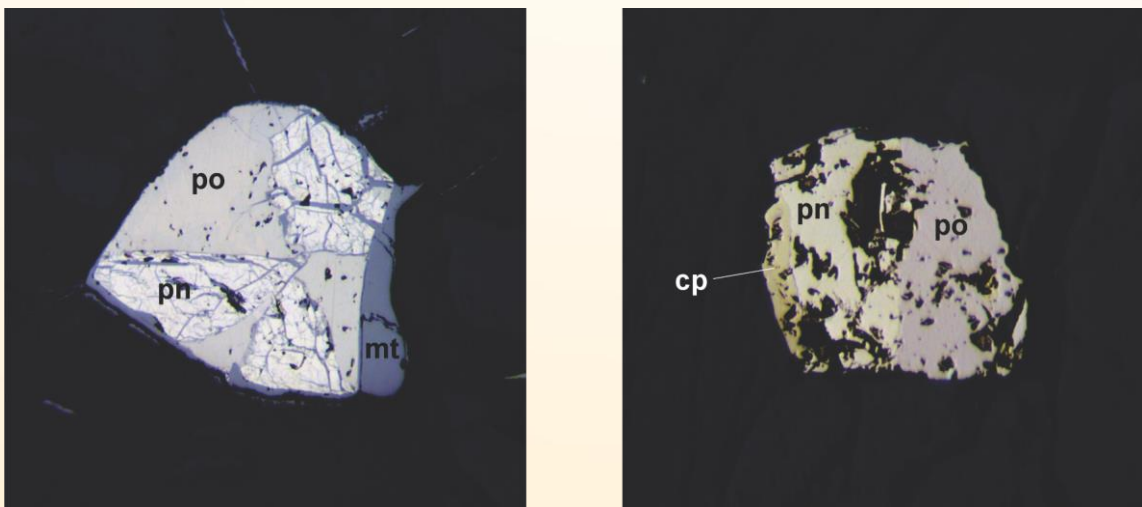


Figure 1. Photomicrographs of magmatic composite sulphide grains containing nickel and copper ore minerals from ZRC086 96-100m. po = pyrrhotite, pn = pentlandite, cp = chalcopyrite, mt = magnetite, field of view on both images is 300 microns.

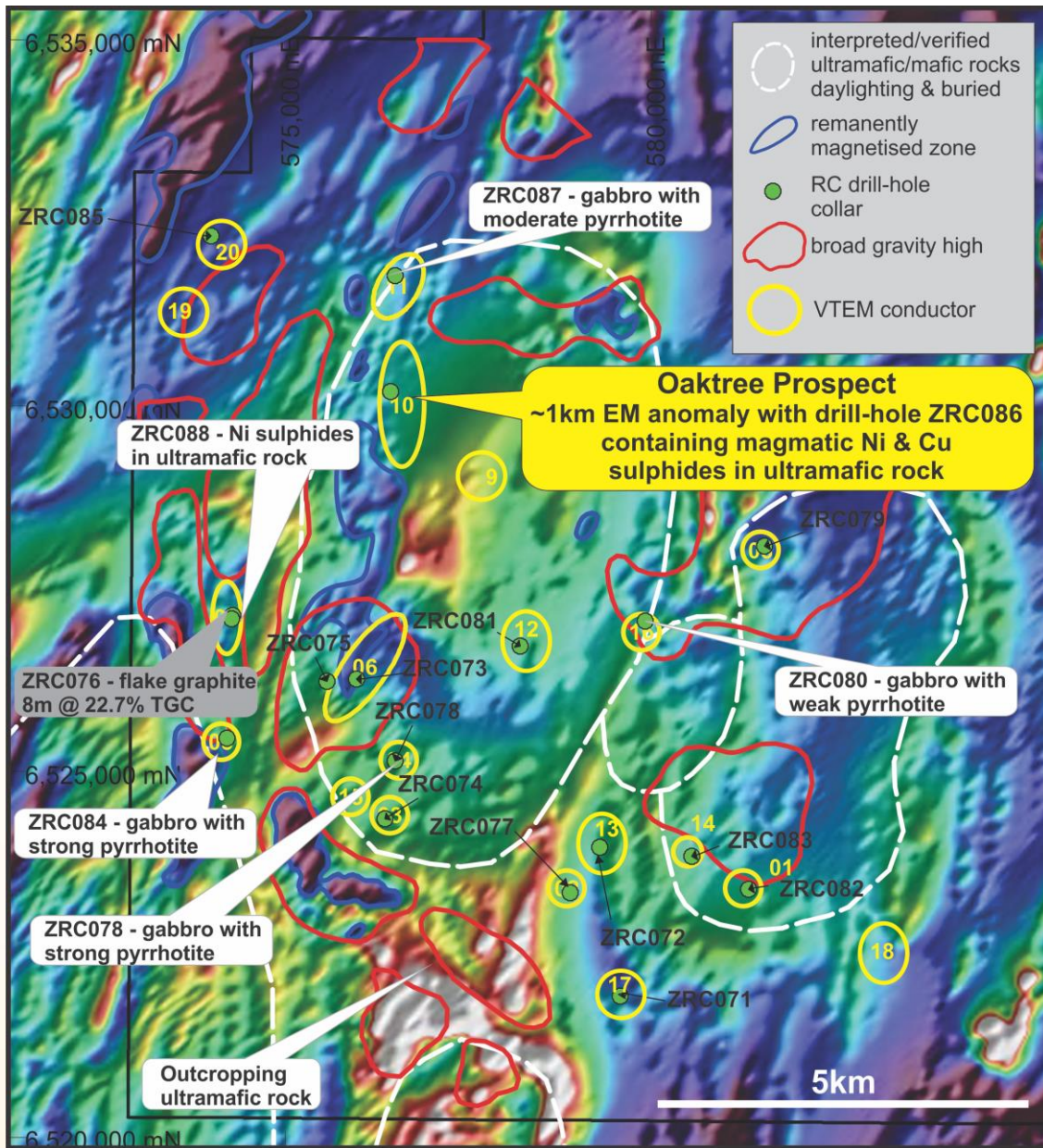


Figure 2. Location of 2014 RC drill-holes over airborne magnetics with gravity and EM features indicated.

Subsequent Events

In early July, the Company completed a new MLTEM survey to cover the ~1km strike length of the VTEM/MLTEM conductors associated with magmatic nickel-copper sulphides at Oaktree (Figure 3). The survey identified a higher conductivity response to the north that could represent massive or semi-massive nickel-copper sulphides.

Modelling of MLTEM data shows two possible conductor geometries at Oaktree North. The Company plans to test the newly defined conductor(s) at Oaktree with ~1,000m of RC drilling in the coming months. Additional encouraging targets identified during Buxton's maiden Ni-Cu drilling program in 2014 will also be tested (Figure 2).

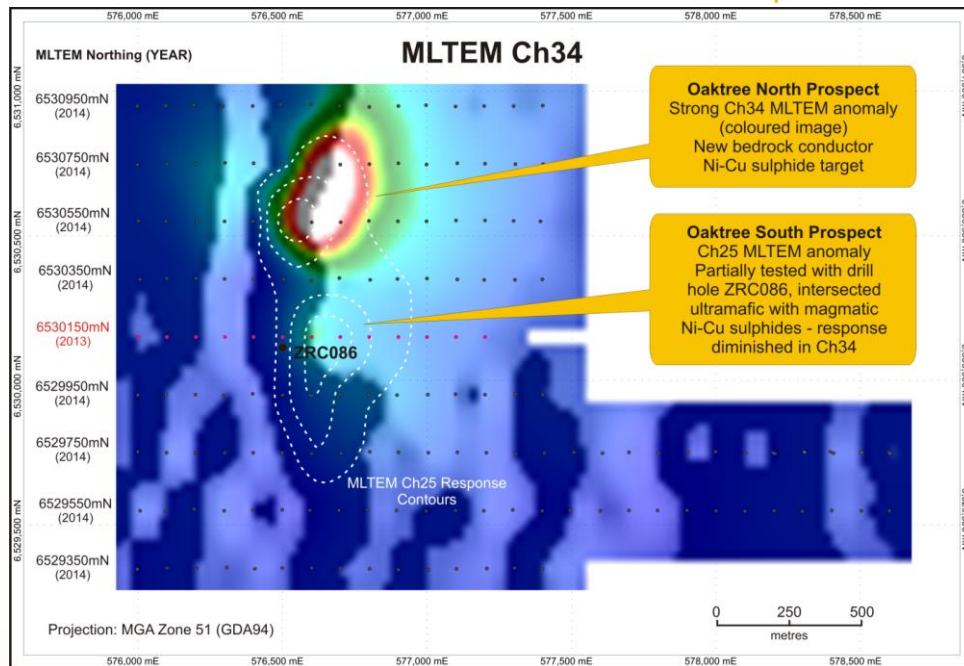


Figure 3. Oaktree Prospect (previously ZV10) showing MLTEM lines from 2013 & 2014, location of drill hole ZRC086 that intersected magmatic nickel-copper sulphides, MLTEM Z component Channel 25 (18msec) contours, over MLTEM Z component Channel 34 (125msec) image showing the strong bedrock conductor at Oaktree North.

Yalbra Graphite Project – Gascoyne Region

The Yalbra Graphite Project is located 250km north-west of Meekatharra and 280km east of Carnarvon, Western Australia. It consists of four tenements, including a new application, covering a combined area of 390km².

The Company's maiden drilling program in 2013 intersected numerous zones of high-grade graphite. The project currently has a very high grade inferred graphite resource to JORC Code reporting standards of **2.27Mt @ 20.1% TGC** (ASX announcement 25th February 2014). This is the highest reported grade graphite resource in Australia.

A preliminary logistics study was commissioned during the quarter. The study showed that the project had four potential options for outbound graphite concentrate transport. These options will be further investigated in due course as the Company moves toward a scoping study.

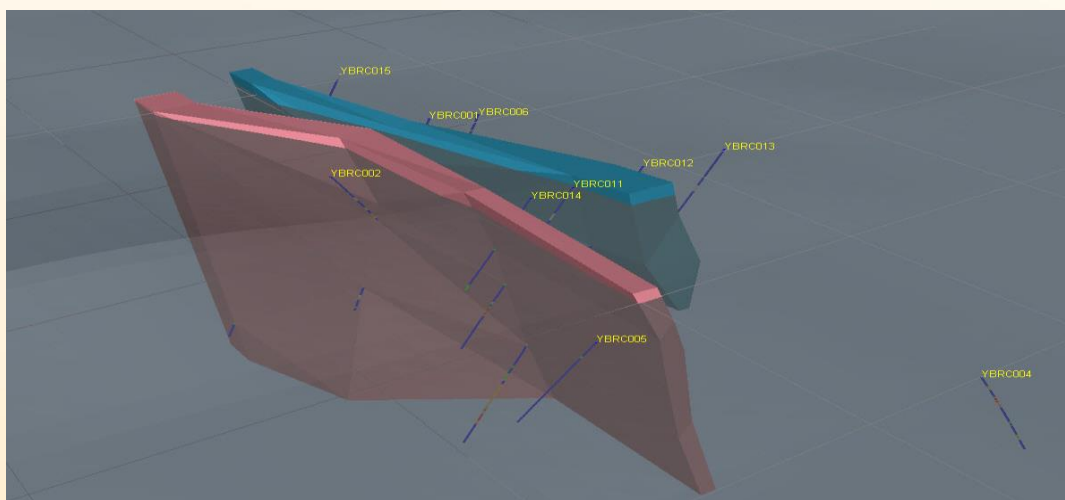


Figure 4: Graphite resource wireframes within the Main Zone at Yalbra – view is to the north-west. Grid spacing is 100 metres.

Subsequent Events

On 2nd July, Buxton announced that it had successfully completed its RC & diamond drilling program at the Yalbra Graphite Project. Samples have been dispatched for laboratory analysis and results will be released as soon they are available.

In addition, Buxton has applied for a further exploration licence of 93km² covering the area to the east, along strike from the Main Zone. The new application provides Buxton with access to 35 kilometres of prospective strike length that includes several prospects with graphite mineralisation identified at surface.

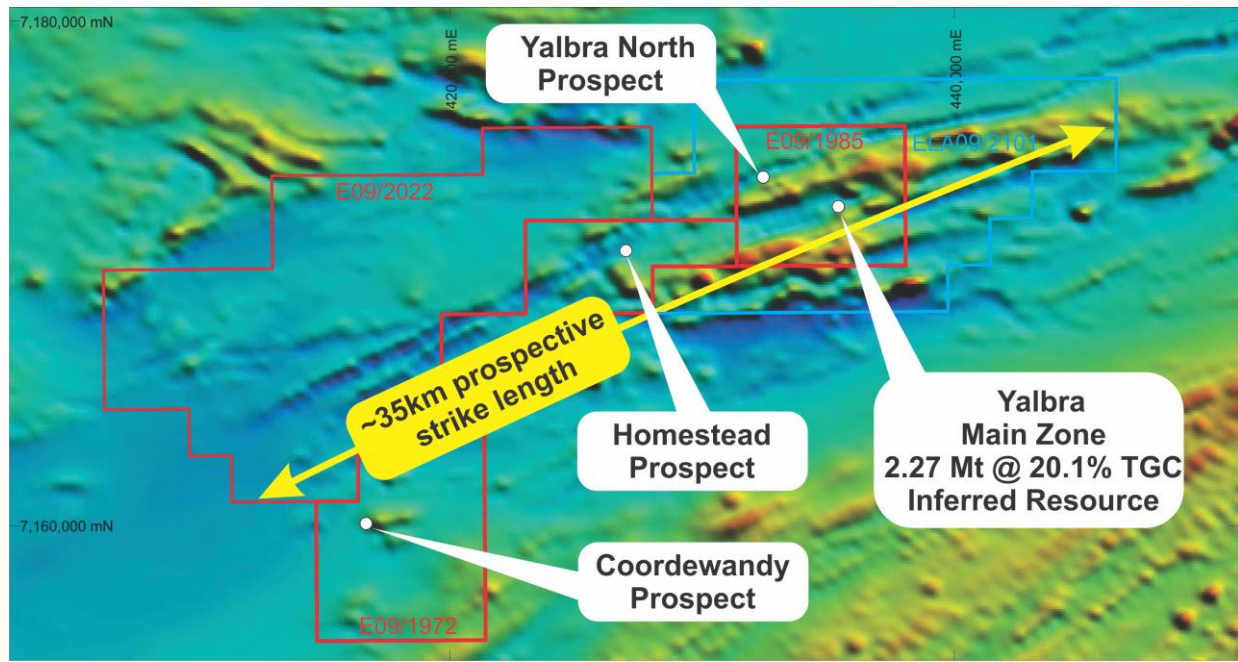


Figure 5. Tenement map showing existing (red) and new (blue) Yalbra tenements.

Corporate

Leading Australian broking and corporate advisory firm, Hartleys Limited, updated their research coverage on the Company following the “Drilling Intersects Magmatic Ni-Cu Sulphides at Zanthus” announcement. A full copy of the research note is available for download on the Company’s website. www.buxtonresources.com.au

The Managing Director, Anthony Maslin has taken personal leave for an indefinite period. In the immediate term, Buxton’s other board members and company officers, led by Chairman Mr Seamus Cornelius, will be responsible for the day to day operation of the Company.

Cash balance as at 30 June 2014 of \$1.3 million sees Buxton well-funded into 2015.

For further information please contact:

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Company Secretary

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Competent Persons

The information in this report that relates to exploration results and geology is based on information previously compiled and/or reviewed by Dr Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director for Buxton Resources Limited. Dr Stephens has sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear. There have been no material changes to the information reported in the previous reports.

The information in this report that relates to in-situ Mineral Resources is based on information compiled by David Williams of CSA Global Pty Ltd and previously reported 25/2/2014. David Williams is a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). David Williams previously consented to the inclusion of such information in the previous report in the form and context in which it appeared. There have been no material changes to the information reported in the previous report.

Appendix: Changes in interests in mining tenements - Buxton Resources Ltd

01/04/14-30/06/14

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

Interest in mining tenements acquired or increased	ELA 09/2101	Yalbra	0	100
	ELA 77/2237	Yilgarn	0	100
	ELA 77/2238	Yilgarn	0	100

The mining tenements held at the end of the quarter and their location	E 28/2201	Zanthus	100	100
	E 28/1959	Zanthus	100	100
	ELA 28/2395	Zanthus	100	100
	ELA 28/2396	Zanthus	100	100
	E 63/1595	Dempster	100	100
	ELA 63/1582	Dempster	90	90
	ELA 63/1675	Dempster	100	100
	ELA 63/1676	Dempster	100	100
	ELA 63/1677	Dempster	100	100
	ELA 63/1684	Dempster	100	100
	ELA 63/1685	Dempster	100	100
	ELA 63/1686	Dempster	100	100
	ELA 63/1687	Dempster	100	100
	ELA 63/1688	Dempster	100	100
	E 09/1985	Yalbra	85	85
	E 09/1972	Yalbra	90	90
	E 09/2022	Yalbra	100	100
	ELA 09/2101	Yalbra	0	100
	ELA 66/87	Northampton	100	100
	ELA 66/88	Northampton	100	100
	ELA 70/4563	Bridgetown	100	100
	ELA 77/2237	Yilgarn	0	100
	ELA 77/2238	Yilgarn	0	100

Abbreviations and Definitions used in Tenement Schedule:

E Exploration Licence

ELA Exploration Licence Application