

ASX Release

15th September 2014

DRILLING TO COMMENCE ON COMPELLING NICKEL SULPHIDE TARGETS

Highlights

- Program of Works (POW) and Heritage clearances received
- ~1,500m RC drill contract awarded - expected to commence early October
- Compelling drill target with strong MLTEM bedrock conductor at Oaktree North, along strike from early magmatic nickel sulphides previously intersected at Oaktree South
- Four additional targets to be drilled, including one with previously intersected nickel sulphides (Target ZV07)
- 'Fertile' environment confirmed for discovery of Ni-Cu sulphide mineralisation: right mafic-ultramafic rocks and right sulphides
- Regional MLTEM program targeting deeper conductors in the favourable "Oaktree Structural Corridor" also to commence shortly

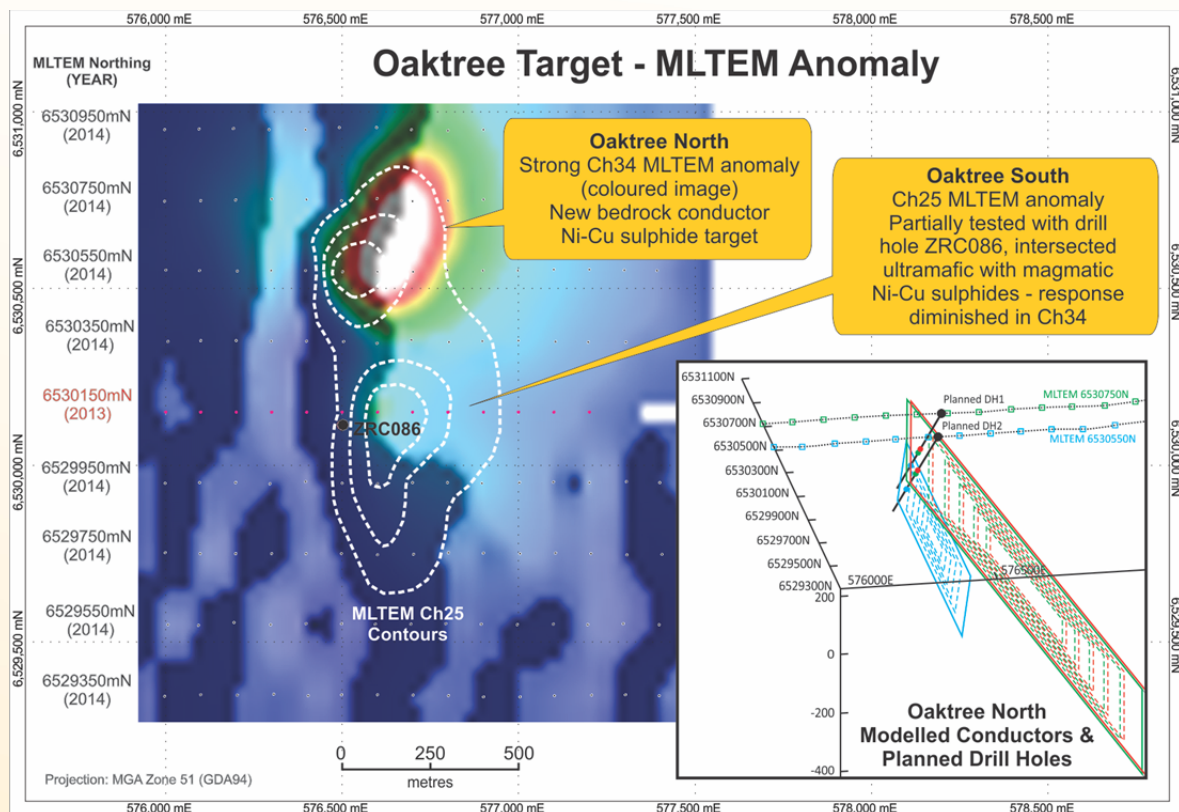


Figure 1. Oaktree Prospect showing MLTEM lines from 2013 (red dots) & 2014 (white dots), location of drill hole ZRC086 that intersected magmatic nickel-copper sulphides, MLTEM Z component Channel 25 contours, over MLTEM Z component Channel 34 image showing the strong bedrock conductor at Oaktree North. Inset; oblique view of modelled MLTEM conductors and planned drill hole traces at Oaktree North.

Summary

Buxton Resources Limited (ASX: BUX & BUXO) is pleased to confirm planning, permitting and engagement of the drill contractor is now complete for the RC drill program at the Company's 100% owned, highly prospective Zanthus Ni-Cu Project, located 60km along strike from Sirius Resources' Nova-Bollinger Ni-Cu discovery in the Fraser Range Nickel province, Western Australia.

Drill pad clearing and track access construction is underway and drilling is expected to begin in early October 2014. The program will consist of ~1,500m of RC drilling primarily targeting the newly defined MLTEM anomaly at Oaktree North (Figure 1, Table 1), at least four additional untested targets previously generated will also be drilled (Figure 2, Table 1).

Table 1 Drill targets and brief descriptions at the 100% owned Zanthus Ni-Cu Project

Name	Priority	Easting	Northing	Description
Oaktree North	1	576530	6530550	Newly defined strong bedrock MLTEM anomaly to the north of Oaktree South (described below). The recent MLTEM survey defined a more highly conductive target which could represent semi-massive or massive Ni-Cu sulphides.
Oaktree South (previously ZV10)	1	576610	6530150	Abundant, definitively magmatic, sulphide blebs of intergrown pyrrhotite, crystalline pentlandite and some chalcopyrite identified within ultramafic rock (Hole ZRC086). Additional drill testing warranted to further test this MLTEM conductor.
ZV07	1	574200	6527150	Hole ZRC088 intersected ultramafic rock with minor pyrrhotite and traces of nickel sulphide minerals. Moderate to high strength conductor, irregular shape, wedged between two broad gravity highs requires additional testing.
ZV03	2	576430	6524400	Hole ZRC074 was abandoned due to sand cover and did not reach target depth or explain the anomaly. Weak, small, sub-horizontal conductor within or above interpreted intrusive body.
ZV19	3	573580	6531150	Weak, steeply east dipping conductor. Requires drill testing.
ZV15	3	575890	6524650	Weak, small, sub-horizontal conductor within or above interpreted intrusive body. Requires drill testing.

Oaktree North & South

In 2013 a moderately conductive large depth extent conductor (ZV10) was modelled from a single MLTEM line. Drill hole ZRC086 tested this target and intersected ultramafic rock with abundant magmatic blebs of composite pyrrhotite, pentlandite and chalcopyrite.

The occurrence of these definitively 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 crystallize. As such, the confirmed presence of these magmatic nickel-copper sulphides indicates excellent prospectivity for larger, potentially economic, accumulations of nickel-copper sulphide mineralisation.

This encouraging drill intersection in ZRC086 was followed up with a 13.6 line km MLTEM program in early July, 2014. Results of the combined 2013 and 2014 MLTEM surveys show a moderately conductive zone centred on line 6530150mN, where it was drill tested with ZRC086 (Figures 1 & 2). However, the new MLTEM data has detected a highly conductive target to the north of the original Oaktree target which may represent semi-massive or massive Ni-Cu sulphides.

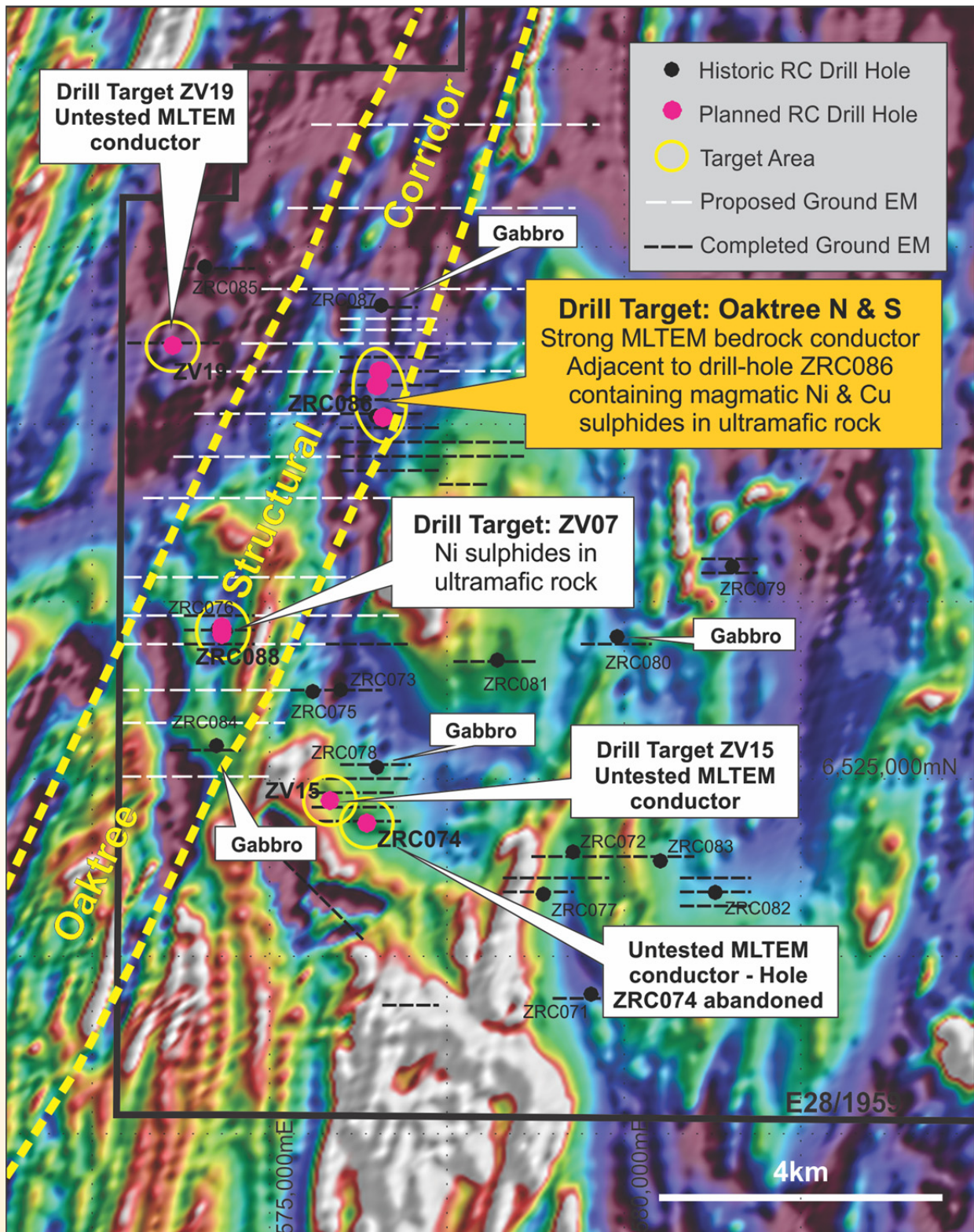


Figure 2. Location of the drill targets to be tested during the upcoming RC program at Zanthus, with the Oaktree Structural Zone, 2014 RC drill-holes over airborne magnetics

Conclusion

The previous drilling, geophysical and geochemical surveys at Zanthus show a very large, ultramafic-mafic system that is “live” and highly prospective for economic nickel-copper sulphide mineralisation. Important features of this system include;

- Located in Proterozoic orogen in close proximity to major, crustal scale shear zone and broadly along strike from world class Nova-Bollinger discovery;
- Very large ultramafic-mafic system with significant geological complexity and numerous smaller dyke and/or sill-like bodies;
- Sulphur-rich country rocks to potentially contribute to sulphur saturation of ultramafic-mafic rocks; and
- Ultramafic rock with petrographically verified, abundant magmatic blebs of composite pyrrhotite, pentlandite and chalcopyrite.

A rigorous and systematic exploration approach has led the Company to the above-mentioned and soon to be drilled compelling targets for Ni-Cu sulphide mineralisation. Buxton looks forward to commencing this second pass drill program at the Zanthus Project in what it has now confirmed as a highly ‘fertile’ environment.

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Competent Persons

The information in this report that relates to exploration results 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 previously 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. The exploration results in this report were previously reported to the ASX on the 14th of May 2014. No material change to the results has occurred.