

# **BUXTON RESOURCES LIMITED**

**ABN 86 125 049 550**

## **INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Buxton Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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## **CORPORATE INFORMATION**

### **Buxton Resources Limited**

ABN: 86 125 049 550

### **Directors**

Seamus Cornelius

Anthony Maslin

Stuart Fogarty

### **Auditors**

Incorp Audit & Assurance Pty Ltd

(Formerly known as Rothsay Audit & Assurance Pty Ltd)

Level 1, Lincoln Building

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West Perth WA 6005

### **Company Secretary**

Sam Wright

### **Registered office and principal place of business**

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### **Share Register**

Computershare Investor Services Pty Limited

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Perth WA 6000

### **Home Exchange**

Australian Securities Exchange

Level 40 Central Park

152-158 St Georges Terrace

Perth WA 6000

**ASX Code: BUX**

## DIRECTORS' REPORT

Your directors are pleased to present their report on Buxton Resources Limited and its subsidiaries (referred to hereafter as the "consolidated entity" or "group") for the half-year ended 31 December 2023.

### DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Seamus Cornelius  
Anthony Maslin  
Stuart Fogarty  
Eamon Hannon (resigned 15 January 2024)

Directors were in office for the entire period unless stated otherwise.

### REVIEW AND RESULTS OF OPERATIONS

During the half year, Buxton has continued detailed studies and exploration at the Graphite Bull project, and completed a drilling program at Copper Wolf, the first such program at that project in over 30 years. JV partner IGO reported a significant nickel sulphide exploration discovery at the Dogleg prospect, part of the West Kimberley Project.

Exploration was also undertaken at the Narryer Project and Heritage Protection Agreements executed at the Centurion Project, and Buxton has also progressed technical due diligence on the extensive suite of high-quality grassroots exploration plays which include Shogun, Royale, Lateron and Madman.

#### Graphite Bull Project (BUX 100%)

The Graphite Bull Project (Exploration License E09/1985) is located 280 km East of Carnarvon in the Murchison Region of Western Australia. In 2014, Buxton released an updated, JORC 2012 compliant, Mineral Resource Estimate for the main zone of graphite mineralisation. The Inferred Mineral Resource is 4.0Mt @ 16.2% TGC, using a 4% TGC cut-off (see ASX announcement 24th October 2014).

During the half-year, continued the dual-stream electrochemical testwork aimed at evaluating multiple process options for the Graphite Bull concentrate material.

Initial results from ProGraphite on the first bulk concentrate sample directed toward the assessment of Li-ion battery quality benchmarks were exceeded by simple caustic bake purification achieving 99.97% TGC. Spheronising gave excellent shape and size distribution, yield also above average. Concentrate micronised well with relatively little energy input – see ASX Announcement 7th August 2023 for further details.

## DIRECTORS' REPORT

During the half-year Buxton announced the results of an extensive high-resolution ground EM survey (Loupe EM) which detected numerous shallow conductors which represent shallow targets for additional graphite resources.

A heritage survey scheduled for early November was deferred due to a death in the community. Buxton continues to engage with the Wajarri Yamaji Aboriginal Corporation and the Burringurrah Land Committee with a view to undertaking this survey in H1, 2024.

### **West Kimberley Project (3 separate JVs with IGO - BUX 16% – 20%)**

The West Kimberley Project is targeting Nova-style magmatic Ni-Cu sulphide mineralisation in Proterozoic belts of the West Kimberley Region of Western Australia. Buxton have Farm In and JV agreements over three separate Project areas (Merlin Project, Quickshears Project and West Kimberley Regional Project) which fall within the overall West Kimberly Region.

On the 4th October 2022, Buxton received shareholder approval for Buxton and IGO to amend the existing Merlin Project Joint Venture in the West Kimberley (then at IGO 51% and BUX 49% ownership level) allowing IGO to earn a further 29% interest to take IGO to 80% for a cash payment to Buxton of \$1,000,000.

During the Half Year, IGO reported a significant exploration discovery at the Dogleg Prospect (16% BUX). The drilling program at Dogleg intersected massive nickel copper bearing magmatic sulphides. A second hole, drilled to follow-up this virgin discovery, intersected semi-massive nickel copper bearing magmatic sulphides.

Buxton remain free carried until completion of a feasibility study.

### **Fraser Range Project (BUX 10% / IGO 90%)**

Exploration at the Fraser Range Project is targeting magmatic Ni-Cu sulphide mineralisation along strike from IGO's operating Nova mining operation. During the Half Year IGO have continued their thorough exploration of these licenses. Buxton remain free carried until completion of a feasibility study with Buxton retaining an exclusive right to explore and develop iron ore on the Tenements.

### **Narryer Project (BUX 100%)**

The Narryer Project is targeting magmatic Ni-Cu-PGE sulphide mineralisation along the Yilgarn Craton margin within the Murchison Region of WA. The three Narryer Project ELs covering > 1800 km<sup>2</sup> were granted early in FY2022.

During the half year Buxton completed a soil sampling program aimed at testing anomalies defined by Buxton's detailed gravity and airborne EM programs.

## DIRECTORS' REPORT

### **Copper Wolf Project (BUX 100% / IGO earning 70% on certain tenements)**

Buxton's Copper Wolf Project consists of Lode Mining Claims and Mineral Exploration Permits in Yavapai County, Arizona. The Copper Wolf Project has multiple historical resource estimates available that confirm the presence of a large Laramide porphyry Cu-Mo system (see ASX Announcement 25 October 2021).

BUX's tenure interest comprise a 100% interest in ~41.2 km<sup>2</sup> of tenure consisting of Federal Lode Mining Claims SM1-SM54 and CW01-CW342 issued by the Bureau of Land Management (BLM) and Arizona State Lands Department (ASLD) Mineral Exploration Permits 008-121028, 1213390, 124215 and 124640.

On the 4th of October 2022, Buxton satisfied all conditions precedent for Buxton and IGO to enter into an earn-in and joint venture agreement for the Copper Wolf Project (Arizona, USA) then held as 100% by BUX. By that agreement, IGO has an exclusive right to earn a 51% interest in the initial Copper Wolf Project tenements (SM1-SM54, CW01-CW44, 008-121028 and 008-1213390, covering approximately 11.0 km<sup>2</sup>) by incurring and sole funding A\$350,000 of exploration expenditure in a 24-month period from 4/10/2022. Upon IGO incurring the A\$350,000 earn-in expenditure, it may elect to earn-in and form a 51% IGO / 49% BUX unincorporated joint venture. During the earn-in period, BUX will be the project manager. IGO will be the initial manager of the joint venture. Within 6 months of the commencement of the joint venture, IGO has the exclusive right to elect to earn a further 19% joint venture interest (to take its joint venture interest to 70%) by sole funding exploration expenditure of A\$5,000,000 over 3 years (stage 2 earn-in). For a 5 year period from the date of the agreement, BUX are committed to present all copper projects it secures or generates in Arizona to IGO by way of a right of first refusal.

On the 10th November 2023, Buxton entered into a "Copper Chief Lease and Option Agreement" with the private owner of 7 Lode Mining Claims (Copper Chief #1-5 & Copper Chief #18-19) covering approximately 58 hectares and a parcel of private property covering approximately 16 hectares which is wholly contained within the area of the Copper Chief Lode Mining Claims (see Figure 12). This package of surface and subsurface rights is contiguous with existing BUX tenure. The agreement provides BUX the option to acquire 100% of the surface and subsurface rights at any time prior to 10th November 2028. Should BUX chose to exercise the option, BUX will grant the seller a five percent (5%) Net Smelter Returns Royalty, with rights to purchase up to 3.5% of that Royalty.

Porphyry Cu-Mo mineralisation at Copper Wolf is largely concealed by a post-mineral (Tertiary) sequence of volcanic and sedimentary rocks. The Project is located within one of the most prolifically endowed copper belts in the world, yet it has not seen any drilling since the early 1990s. Buxton's 2022 airborne magnetic survey was the first geophysical work undertaken since the early 1960s. Historic exploration has consisted of relatively wide spaced drilling which focussed on significant

## DIRECTORS' REPORT

supergene copper mineralisation. Buxton is targeting high grade, underground bulk mineable copper-molybdenum mineralisation.

On the 4th October 2022 Buxton received shareholder approval for Buxton and IGO Limited ("IGO") entered into an earn-in and joint venture agreement for the Copper Wolf Project (Arizona, USA) then held as 100% by BUX. By that agreement, IGO has an exclusive option to earn a 51% interest in the Copper Wolf Project tenements by incurring and sole funding A\$350,000 of exploration expenditure in a 24-month period from 4/10/2022 (Stage 1 earn-in). Upon Having incurred the A\$350,000 earn-in expenditure, IGO may elect to strike the option and form a 51% IGO/49% BUX unincorporated joint venture. During the option and Stage 1 earn-in period, BUX will be the project manager. IGO will be the initial manager of the joint venture. Within 6 months of the commencement of the joint venture, IGO has the exclusive right to elect to earn a further 19% joint venture interest (to take its joint venture interest to 70%) by sole funding exploration expenditure of A\$5,000,000 over 3 years (Stage 2 earn-in). Any IGO-funded exploration expenditure incurred in excess of the initial Stage 1 A\$350,000 expenditure during the 2-year option period is credited towards the Stage 2 earn-in on IGO exercising its option.

During the Half Year, Buxton reported assay results from CPW0001DD and assay results from CPW0002DD, including 405.38m @ 0.35% Cu and 0.05% Mo (within the IGO earn-in area) and undertook mapping and rock chip sampling on 100% BUX tenure surrounding the IGO earn-in area.

### **Centurion Project (BUX 100%)**

The Centurion Project consists of Exploration License E80/5579 located approximately 180 km south-southwest of Balgo Western Australia on unclaimed crown land and accessible via shire roads and several 1960s-1980s seismic lines.

This license covers a prominent dipolar magnetic anomaly exceeding 1,500 nanoteslas in amplitude and 3,500 m by 5,000 m in extent. Recently released data from a 2017 Falcon airborne gravity gradiometer survey reveals a similarly dipolar gravity high in a slightly offset position to the magnetic feature. Such relationships between magnetic and gravity features is characteristic of Iron Oxide Copper Gold deposits including Olympic Dam and Prominent Hill. Results from Magnetic Vector Inversion of open file 400 m line spaced magnetic data indicates that the target is remnant magnetised and is approximately 700 metres below ground level.

During the Half Year Buxton entered into Heritage Protection and Access Agreements with Native Title holders to allow for heritage surveys to be undertaken in 2024.

## DIRECTORS' REPORT

### **Shogun & Royale Projects (BUX 100%)**

The Shogun and Royale Projects form a contiguous package covering 2617 km<sup>2</sup> located in the Paterson Region of Western Australia. Exploration on the two (2) Shogun Project ELA 45/6533 and 45/6534 is targeting magmatic Ni-Cu-Co-PGE sulphide deposits. The five (5) Royale Project ELAs (E45/6228 through E45/6232) cover exploration targets for hydrothermal Cu +/- Au – Mo deposits.

During the half year, Buxton progressed negotiations related to Native Title agreements.

### **Lateron Project (BUX 100%)**

The Lateron Project Exploration License E80/5545 was granted during the Half Year. The Lateron Project is located on unclaimed crown land approximately 10 km East of Billiluna and 150 km South of Halls Creek in Western Australia.

During the Half Year Buxton undertook planning for the 2024 field season.

### **Madman Project (BUX 100%)**

Buxton applied for the Madman Project Exploration License E69/4182 during the Half Year. The Madman Project is located on unclaimed crown land approximately 370 km south-east of Newman.

The application is host to a "bullseye" magnetic feature which is the primary exploration objective.

## **OPERATING RESULTS**

The Group recorded a loss for the half-year ended 31 December 2023 of \$2,331,365 (2022; \$609,183). At 31 December 2023 the Group held cash and term deposit balances of \$1,577,407 (30 June 2023; \$4,145,470).



## DIRECTORS' REPORT

### CORPORATE

The Company held its Annual General Meeting on 17 November 2023 at Suite 1, First Floor, 14-16 Rowland Street, Subiaco, Western Australia. All resolutions that were put to shareholders were passed by a poll.

On 20 September 2023 the Company granted 5,000,000 incentive options to various management staff under the Company's Employee's Incentive Scheme. The options, which vested immediately, are unlisted, have an exercise price of 30 cents and an expiry date of 30 November 2026.

On 13 November 2023 1,218,324 shares were issued as part of the consideration for the West Kimberley Tenement dated 6 November 2018 following drill intercept results announced 6 November 2023.

On 17 November at the Annual General Meeting of the Company, shareholders approved the issue of 4,000,000 options to directors of the Company under the Company's Employee Incentive Scheme. The options, which are unlisted, have an exercise price of 30 cents and an expiry date of 30 November 2026.

Further details are included in Note 4 in the notes to the consolidated financial statements.

On 30 November 2023 750,000 options exercisable at 15 cents per option were exercised raising \$112,500. The Company provided a loan of \$75,000 to one of its employees to finance the exercise of options carrying an interest rate of 5% per annum and a repayment date of not later than 30 June 2024.

### SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

## 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 the following page.

This report is made in accordance with a resolution of directors.



**Seamus Cornelius**

Director

Perth, 15<sup>th</sup> March 2024

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor of the review of Buxton Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Buxton Resources Limited and the entities it controlled during the half-year.

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**Graham Webb**  
**Director**

15 March 2024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Half-year ended 31 December 2023 \$	31 December 2022 \$
<b>Revenue</b>	3	2,153,119	1,379,172
Depreciation expense		(16,210)	(8,617)
Salaries and employee benefits expense		(531,069)	(356,772)
Share-based payment expense	4	(1,073,337)	(365,222)
Exploration and evaluation expenses		(2,270,900)	(999,791)
Corporate expenses		(162,917)	(166,785)
Administration expenses		(423,983)	(89,157)
<b>Loss from operating activities</b>		<u>(2,325,297)</u>	<u>(607,172)</u>
Finance income		21,922	3,669
Finance expense		(27,990)	(5,680)
Net finance expense		<u>(6,068)</u>	<u>(2,011)</u>
<b>Loss before income tax</b>		(2,331,365)	(609,183)
Income tax expense		-	-
Loss after income tax expense for the period		<u>(2,331,365)</u>	<u>(609,183)</u>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		83,242	-
Total comprehensive income for the period, net of tax		<u>83,242</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF BUXTON RESOURCES LIMITED</b>		<u>(2,248,123)</u>	<u>(609,183)</u>
Basic and diluted loss per share (cents)		(1.29)	(0.41)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31 December 2023 \$	30 June 2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,449,407	4,017,470
Trade and other receivables		662,789	112,490
Other financial assets		128,000	128,000
Other current assets		127,836	75,091
<b>TOTAL CURRENT ASSETS</b>		<u>2,368,032</u>	<u>4,333,051</u>
<b>NON-CURRENT ASSETS</b>			
Exploration assets		1,011,820	761,819
Plant and equipment		120,804	134,015
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,132,624</u>	<u>895,834</u>
<b>TOTAL ASSETS</b>		<u>3,500,656</u>	<u>5,228,885</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		227,387	419,059
Unearned income		-	742,118
Provisions		17,847	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>245,234</u>	<u>1,161,177</u>
<b>TOTAL LIABILITIES</b>		<u>245,234</u>	<u>1,161,177</u>
<b>NET ASSETS</b>		<u>3,255,422</u>	<u>4,067,708</u>
<b>EQUITY</b>			
Issued capital	5	29,060,759	28,672,297
Reserves	6	1,608,918	478,301
Accumulated losses		(27,414,255)	(25,082,890)
<b>TOTAL EQUITY</b>		<u>3,255,422</u>	<u>4,067,708</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued capital	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	25,120,982	(22,474,241)	-	274,533	2,921,274
Total comprehensive loss for the period	-	(609,183)	-	-	(609,183)
Issue of shares for cash	1,080,200	-	-	-	1,080,200
Share-based payments	-	-	-	365,222	365,222
Expiry of options	-	217,694	-	(217,694)	-
Share issue transaction costs	(4,655)	-	-	-	(4,655)
<b>Balance at 31 December 2022</b>	<b>26,196,527</b>	<b>(22,865,730)</b>		<b>422,061</b>	<b>3,752,858</b>
<b>Balance at 1 July 2023</b>	<b>28,672,297</b>	<b>(25,082,890)</b>	-	<b>478,301</b>	<b>4,067,708</b>
<b>Loss for the period</b>		<b>(2,331,365)</b>			<b>(2,331,365)</b>
<b>Other comprehensive income</b>			<b>83,242</b>		<b>83,242</b>
Total comprehensive loss for the period	-	(2,331,365)	83,242	-	(2,248,123)
Issue of shares for tenement acquisition	250,000	-	-	-	250,000
Issue of options under Employee incentive plan	-	-	-	1,063,337	1,063,337
Issue of shares under Employee incentive plan	10,000	-	-	-	10,000
Exercise of options	112,500	-	-	-	112,500
Fair value of options exercised	15,962	-	-	(15,962)	-
<b>Balance at 31 December 2023</b>	<b>29,060,759</b>	<b>(27,414,255)</b>	<b>83,242</b>	<b>1,525,676</b>	<b>3,255,422</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Half-year ended	
	31 Dec 2023	31 Dec 2022
	\$	\$
<b>Cashflows from operating activities</b>		
Receipts from customers	832,475	29,172
Payments for exploration and evaluation	(2,460,766)	(962,986)
Payments to suppliers and staff	(967,276)	(453,477)
Interest paid	(26,000)	(5,680)
Interest received	19,003	3,611
<b>Net cash used in operating activities</b>	(2,602,564)	(1,389,358)
<b>Cashflows from investing activities</b>		
Payments for plant and equipment	(2,999)	(3,060)
Proceeds from the sale of exploration interests	-	1,350,000
<b>Net cash from/(used in) investing activities</b>	(2,999)	1,346,940
<b>Cashflows from financing activities</b>		
Proceeds from the issue of shares	112,500	1,080,200
Payments for share issue costs	-	(4,655)
Loan provided	(75,000)	
<b>Net cash from financing activities</b>	37,500	1,075,545
Net (decrease)/increase in cash and cash equivalents	(2,568,063)	1,033,127
Cash and cash equivalents at the beginning of the period	4,017,470	1,972,312
<b>Cash and cash equivalents at the end of the period</b>	1,449,407	3,005,439

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any ASX announcements made by Buxton Resources Limited during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### Going concern

The interim financial report is prepared on a going concern basis.

The Group incurred a loss of \$2,331,365 and a net cash outflow of \$2,602,564 from operating activities during the period ended 31 December 2023.

The directors have prepared forecasts in respect of future activities. Achievement of such forecasts would allow the group to manage continuation of activities for the next 12 months from the date of this Interim Financial Report. Assumptions made in such forecasts include the ability to raise cash through the issue of shares.

The directors consider the going concern basis of accounting to be appropriate based on forecast cash flows and have confidence in the Group's ability to raise additional funds if required.

#### Amendments to AASBs and new Interpretations which are mandatorily effective for the current reporting period

For the period ended 31 December 2023, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period.

#### New Standards and Interpretations on issue not yet adopted

The directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2023. As a result of this review the directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

#### Significant Accounting Judgements and Key Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing this half-year report the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2023.

### NOTE 2: SEGMENT INFORMATION

#### Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the full Board of directors.

The Group operates in predominantly one business and 2 geographical segments, being mineral exploration in Australia and the USA. Information regarding these segments is presented below.

	Exploration USA \$	Exploration Australia \$	Admin/other \$	Total \$
<b>Half-year ended 31 December 2023</b>				
<b>Revenue</b>				
Contributions from J-V partner	-	1,653,119	-	1,653,119
Revenue from J-V partner	-	500,000	-	500,000
Segment revenue	-	2,153,119	-	2,153,119
<b>Results</b>				
Depreciation and amortisation	-	(14,554)	(1,656)	(16,210)
Finance income/(costs)	(43,354)	-	37,286	(6,068)
(Loss)/Profit before tax	(1,970,965)	1,462,882	(1,823,282)	(2,331,365)
Income tax expense	-	-	-	-
(Loss)/Profit for the period	(1,970,965)	1,462,882	(1,823,282)	(2,331,365)
<b>Assets and liabilities</b>				
Segment assets	16,980	1,790,784	1,692,892	3,500,656
Segment liabilities	-	42,106	203,128	245,234

In the prior half-year ended 31 December 2022 the Company operated in predominantly one business and geographical segment being exploration in Australia.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3: REVENUE

	Six months to 31 December 2023 \$	Six months to 31 December 2022 \$
Sale of part interest in exploration projects	-	1,350,000
Reimbursement of J-V costs	1,653,119	-
Revenue from J-V partner	500,000	-
Revenue from geological services	-	18,000
Refund of rates	-	11,172
Total for the period	2,153,119	1,379,172

### NOTE 4: SHARE-BASED PAYMENT EXPENSE

On 5 May 2023 60,000 shares were granted under the Employee Incentive Plan. The fair value of those shares was \$10,000.

On 20 September 2023 the Company granted 5,000,000 incentive options to various management staff under the Company's Employee's Incentive Scheme. The options, which are unlisted, vested immediately, and have an exercise price of 30 cents and an expiry date of 30 November 2026. The fair value of the options is \$614,232.

On 17 November 2023 at the Annual General Meeting of the Company shareholders approved the issue of 4,000,000 incentive options to directors under the Company's Employee's Incentive Scheme. The unlisted options are exercisable at 30 cents and have an expiry date of 30 November 2026. The fair value of the options is \$449,105.

The total share-based payment expense recognised in the half year is \$1,073,337 (half-year ended 31 December 2022: \$365,222).

The inputs to the options valuations were:

	Director options	Staff options
Share price at grant date	\$0.20	\$0.21
Expected volatility	100%	100%
Risk free interest rate	4.09%	3.94%
Expected life of options	3.04 years	3.20 years
Dividend yield	n/a	n/a

In each case the value of the options was calculated using the Black-Scholes model.

The expected life of the options is based on time to expiry and is not necessarily indicative of exercise patterns that may occur. No other features of options granted were incorporated into the measurement of fair value.

On 30 November 2023 750,000 options exercisable at 15 cents per option were exercised raising \$112,500 (no options converted in the half-year ended 31 December 2022).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4: SHARE-BASED PAYMENT EXPENSE (CONTINUED)

No options expired in the half-year (half-year ended 31 December 2022 9,450,000 options expired).

On 13 November 2023 1,218,324 shares were issued as part of the consideration for the West Kimberley Tenement dated 6 November 2018 following drill intercept results announced 6 November 2023. The fair value of those shares was determined by the VWAP in the 10 trading days preceding the date of issue.

### NOTE 5: ISSUED CAPITAL

	31 December 2023 \$	30 June 2023 \$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	29,060,759	28,672,297

	Six months to 31 December 2023 Number	Six months to 31 December 2023 \$	Year to 30 June 2023 Number	Year to 30 June 2023 \$
<i>Movements in fully paid shares on issue</i>				
At the beginning of the period	171,218,568	28,672,297	145,829,094	25,120,982
Issue of shares under Employee Incentive Scheme	60,000	10,000	-	-
Issue of shares on exercise of options	750,000	112,500	-	-
Fair value of options exercised	-	15,962	-	-
Issue of shares for tenement acquisition	1,218,324	250,000	-	-
Issued for cash	-	-	8,975,000	1,005,200
Issued to directors/management as	-	-	789,474	75,000
Issued for cash under SPP	-	-	15,625,000	2,500,000
Issue costs	-	-	-	(28,885)
Balance at the end of the period	173,246,892	29,060,759	171,218,568	28,672,297

	Six months to 31 December 2023 Number	Year to 30 June 2023 Number
<i>Movements in options over ordinary shares on issue</i>		
<i>Unlisted</i>		
Balance at the beginning of the period	10,750,000	10,950,000
Issue of options during the period	9,000,000	9,250,000
Exercise of options during the period	(750,000)	-
Expiry of options during the period	-	(9,450,000)
Balance at the end of the period	19,000,000	10,750,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6: RESERVES

	Six months to 31 December 2023	Year to 30 June 2023
	\$	\$
<i>Foreign currency reserve</i>		
Balance at beginning of period		
Foreign currency translation	83,242	-
Balance at end of period	83,242	-
<i>Share-based payment reserve</i>		
Balance at beginning of period	478,301	274,553
Conversion of options during the period	(15,962)	-
Expiry of options during the period	-	(217,694)
Issue of options during the period	1,063,337	421,462
Balance at end of period	1,525,676	478,301
	1,608,918	478,301

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

### NOTE 7: CONTINGENT ASSETS AND LIABILITIES

In accordance with the ASX announcement released on 9 August 2023, the CEO is entitled to a cash bonus of \$500,000 upon the Company having a market capitalisation of at least \$50,000,000 over 3 months on which the Company's shares have actually traded. Another member of management is entitled to a potential cash bonus of \$250,000 on the same terms. The discretionary bonuses would be paid in conjunction with a capital raising being carried out by the Company.

Other than the above there has been no change in contingent liabilities or assets since the last annual reporting date.

### NOTE 8: SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9: COMMITMENTS

#### Exploration commitments

In order to maintain current rights of tenure to mining tenements and permits, the Group has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	31 December 2023 \$	30 June 2023 \$
Within one year	2,394,901	2,143,000
Later than one year but not later than 5 years	9,842,176	9,139,360
	<u>12,237,077</u>	<u>11,282,360</u>

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

## DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

The attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

- (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance as represented by the results of its operations for the period from 1 July 2023 to 31 December 2023.

There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the directors



Seamus Cornelius

Director  
Perth, 15<sup>th</sup> March 2024

**BUXTON RESOURCES LIMITED  
INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Buxton Resources Limited.

**Conclusion**

We have reviewed the half-year financial report of Buxton Resources Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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**BUXTON RESOURCES LIMITED**  
**INDEPENDENT AUDITOR'S REVIEW REPORT (continued)**

**Emphasis of Matter – Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss of \$2,331,365 and cash outflows from operating activities of \$2,602,564 during the half-year ended 31 December 2023. As stated in Note 1, these events or conditions along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

**Responsibility of the Directors for the Financial Report**

The directors of Buxton Resources Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

**Auditor's Responsibility for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**In.Corp Audit & Assurance Pty Ltd**



**Graham Webb**  
**Director**

Dated 15 March 2024