

CEO's Letter to Shareholders

To the shareholders of Buxton Resources Ltd, I am writing to you today as part of our ongoing efforts to increase engagement with you, the owners of this company. You are not a mass audience - as of today there are 1,413 current holders of ~210M BUX shares, along with 79 holders of 19M BUX.O options. Our Top 20 accounts for some 48% of the register. While our registry is ever-changing many of these Top 20 shareholders have held BUX for more than 5 years.

The "Project Generator" Business Model & Recent Results

Buxton is constantly looking to expose our shareholders to the springboard of a "bang on discovery". In terms of the life cycle of mining projects, this discovery phase presents the greatest value generation opportunity for any explorer¹. For companies like ours, the end game is typically either a buy-out, a transition to a miner, or a transition to a dividend-payer via revenue from multiple royalty or minority interest streams.

Our playbook is simple;

- We keep costs low, especially overheads & the cost-of-entry into new projects
- We choose a basket of commodities a) to mitigate external risks such as fluctuating prices; b) to provide optionality for continual activity and enable regular trading catalysts; and c) which are also of interest to mid-major sized mining houses
- We only operate in safe, Tier 1 mining jurisdictions
- We manage exploration risk, and reduce dilution, by seeking project-equity deals that see a stream of exploration and news flow funded by JV partners

Our achievements speak to the value of this approach. Buxton has made discoveries and defined maiden resources in magnetite, graphite and nickel. It has established a high-quality land position in Arizona in a major porphyry deposit belt that hosts some of the world's largest copper mines. Buxton has established belt-scale tenement positions that attract significant and ongoing investment JV partners who continue to explore and de-risk our projects. In doing all of this we currently expose our shareholders to a discovery opportunity across >6,000 km² of tenure, yet our annual commitments are < A\$1M.

¹ [The Lassonde Curve – Understanding the mining life cycle | Small Cap Investor](#)



Over the last 12 months we have made progress on many fronts, but four developments really stand-out;

- We have proven that high-grade **Graphite Bull** project can not only “[make an anode](#)”, but that it can make [lots of anodes, and in doing so we’ve attracted interest from the largest player in that market](#). The quality of this project is exemplified by the world-class 124 m @ 16.6% TGC intersection announced [just yesterday](#).
- We have positioned ourselves on the cusp of a major discovery at the **Narryer** project where our [maiden drill hole intersected thick, high-grade graphite, and where Buxton has defined >19 strike km of lookalike targets](#).
- Our JV partner and largest shareholder IGO Ltd has made a [significant nickel discovery at Dogleg in our West Kimberley project](#) that will drive [continued investment in this region](#).
- At **Copper Wolf** Buxton is now established with a firm foothold into a spectacularly large Copper-Molybdenum opportunity on the back of [drilling](#) and [simple, smart, boots-on-the-ground exploration](#).

[Copper Wolf is now being managed by IGO Ltd](#). We wish them luck, and we now turn our attention to adding value to our 100% owned projects as we ride the burgeoning wave of the global electrification thematic.

Graphite Bull and Narryer – “Doubling Up” on Tail Winds in Graphite

Buxton now has two 100% owned, high grade graphite projects located in the Mid-West region of Western Australia – Graphite Bull and Narryer.

Western Australia is consistently ranked among the most attractive jurisdictions for resource development globally². These projects additionally benefit from being located where competition for land-use is minimal, where field activities can be conducted year-round, and where international markets for bulk materials are readily accessed via the port of Geraldton.

Buxton shareholders now have an unparalleled opportunity in graphite, a market which has seen rapid expansion due to its application as an anode material in the dominant varieties of rechargeable batteries. This expansion continues as EV sales continue to set new records³, and as the nascent energy storage system (ESS) market enters a period of unprecedented growth⁴.

² [Annual Survey of Mining Companies 2023 | Fraser Institute](#)

³ [Record Number of EVs Sold in September 2024 | Rho Motion](#)

⁴ [Battery Demand Half Year Summary July 2024 | Rho Motion](#)



Based on these tail winds, Benchmark Mineral Intelligence predicts that global anode manufacturing capacity will increase more than fivefold between 2024 and the end of the decade, reaching over 15,000,000 tonnes per year - a huge increase from the 2,277,150 tonnes per year of capacity in 2024⁵.

This build-out is happening on our doorstep, with the global leader in anode manufacturing, BTR, recently commissioning 80,000 tonnes of anode capacity in Indonesia, with a further 80,000 tonnes to come on-stream in 2026⁶. This one plant will have capacity to consume over 320,000 tonnes per year of fine flake graphite concentrate, and Buxton is perfectly positioned to benefit from this increased demand.

BTR is a company not only at the forefront of anode supply, but they are also leaders in advanced battery R&D, including in solid-state and alternative chemistries. Their continued expansion in specifically graphite-based anode manufacturing is a strong signal that the electrification thematic will continue to drive growth in graphite demand.

Because of this demand, and because supply is so scarce, graphite is consistently ranked among the *most critical of critical minerals*⁷.

A natural graphite anode is around 55% less carbon intensive to produce than the average synthetic graphite anode⁸, giving it a fundamental sustainability advantage. These two types of graphite have different technical strengths and weaknesses that will continue to see complimentary use. However, it is these attractive ESG benefits which will increasingly bias procurement by EV manufacturers toward natural graphite over synthetic.

In this context, it is Graphite Bull's distinguishing features, including high-grades, optimal flake characteristics, and sunny location which can contribute to a production scenario with the lowest possible carbon intensity and elevate it over its peers.

Communication and Marketing

Over the last 12 months we have actively sought to improve our outreach and transparency to shareholders. Just over the last few weeks I have undertaken a concerted effort to engage one-on-one with existing shareholders and potential

⁵ [Benchmark begins tracking the global anode market | Benchmark Source](#)

⁶ [BTR's Indonesian facility becomes largest anode plant outside China](#)

⁷ [A ranking of critical materials for the global energy transition – International Renewable Energy Agency](#)

⁸ [ESG of graphite: how do synthetic graphite and natural graphite compare? | Benchmark Source](#)



investors, many of whom have commented favourably that Buxton is now much more visible in media and at conferences.

We have now fully integrated our website with the InvestorHub and it's been great to utilise this platform to support our Announcements with short-format videos and to interact with shareholders using the Q&A system. I'd strongly encourage all shareholders to [join our investor community](#) so that we can better engage with you.

Next Steps...

Buxton shareholders should feel rightly confident in their company's many great assets, and we will continue to look for more. However, our sights are now set on presenting a premium, long-life source of natural graphite to the global anode market.

We are therefore preparing to deliver additional resource growth followed by a Pre-Feasibility Study at Graphite Bull. The PFS will consider a simple, flexible mining scenario that aims to deliver shareholder value through cash flows. These catalysts will not only present the project as a development-worthy opportunity, but also as an attractive target for anode / battery manufacturers looking to vertically integrate.

Then it's "hold onto your hats" as we look towards the bang-on-discovery which awaits our next drilling program at the Narryer. Our Centurion copper and Matrix manganese assets are also approaching fully-permitted, drill-ready status, and these are two hugely exciting opportunities for exploration success.

We will continue to leverage our core strength in identifying high-value, low acquisition cost, projects to add to the pipeline. We will also continue to work with our partner IGO Ltd to extract the full potential of the Copper Wolf project.

To facilitate these next steps, we are undertaking a top-down review that will see significant renewal and optimisation of Buxton's team, with a view to ensuring the Company is fit-for-purpose and ideally positioned to deliver value from the underlying promise of these assets.

I sincerely hope this provides clarity, context and comfort around Buxton's strategic direction and I look forward to keeping you all updated with progress in the exciting days ahead. In the meanwhile, please not hesitate to reach out to me if you have any queries.

25 October 2024

Martin Moloney

Chief Executive Officer



This announcement is authorised by the Board of Buxton Resources Ltd and supported by a [video on the company's website](#).

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Validity of Referenced Results

Buxton confirms that it is not aware of any new information or data that materially affects the information from previous ASX announcements which has been referenced in this announcement.

