BUXTON RESOURCES LIMITED

ABN 86 125 049 550

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2016

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 2016 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
Eamon Hannon
Anthony Maslin
Feng (Frank) Xue

Auditors
Rothsay Auditors
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth WA 6005

Company Secretary
Sam Wright

Registered office and principal place of business
Suite 1, 1st Floor
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Subiaco WA 6008

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Web: www.buxtonresources.com.au

Share Register
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Perth WA 6000

Home Exchange
ASX Limited
ASX Code: BUX

BUXTON RESOURCES LIMITED

DIRECTORS' REPORT

Your directors are pleased to present their report on Buxton Resources Limited for the half-year ended 31 December 2016.

DIRECTORS

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

Seamus Cornelius

Eamon Hannon

Anthony Maslin

Feng (Frank) Xue

Directors were in office for the entire period.

REVIEW AND RESULTS OF OPERATIONS

Operating results

The Company recorded a loss for the period ended 31 December 2016 of $92,466 (2015; $2,204,956).

At 31 December 2016 the Company held cash and term deposit balances of $1,901,226 (2015; $2,057,201).

Double Magic Ni & Cu – West Kimberley

During the half year, Buxton confirmed that the most attractive exploration target at Double Magic is a primary magmatic Ni-Cu sulphide deposit. Conceptually, this is likely to be a core of high-grade stringer or net-textured sulphides within a larger disseminated envelope (see Figure 1 below). Remobilised massive sulphide veins may or may not be present anywhere within several hundred metres.

Figure 1 – Disseminated primary Ni-Cu sulphides in hole DMDD001 (56.37-56.53 metres, HQ3 61mm diameter) at the Merlin Prospect. This mineralisation is non-conductive and cannot be detected by TEM.

Previous electrical surveys in the region have been confined to various types of Transient Electro-Magnetic (TEM) surveys such as VTEM, FLTEM and DHTEM. These surveys have effectively detected highly conductive but thin veins of remobilized massive sulphide at Double Magic. Critically however, TEM may not detect high-grade but much less conductive stringer or net-textured "massive matrix" sulphide zones or pods, and will not detect disseminated sulphides, which have been found to be completely non-conductive.

Benchtop testwork on Buxton's 2015 drillcore indicates even high-grade (>3% Ni) net-textured sulphide zones are only around 1/20th as conductive as the thin massive sulphide veins. The risk that extreme EM responses from remobilised massive sulphide veins could mask any response from primary Ni-Cu sulphides is considered by Buxton to be substantial, and real.

Induced Polarisation/Resistivity surveys measure electrical chargeability and resistivity properties of the rock mass, unlike TEM, which measures conductivity. Therefore, IP will detect the demonstrably chargeable disseminated, stringer, or net-textured zones but will not "see" distracting highly conductive bodies such as massive sulphide veins or graphite, for example.

Buxton chose to proceed with a ground-breaking IP survey at Double Magic because it has been recognized that the main exploration target type - primary magmatic sulphides - may not be detected by TEM, the only electrical survey technique applied in the region to date. Buxton's pioneering use of IP represents a paradigm shift for exploration in the West Kimberley. This IP survey is using some of the highest powered transmitters available as part of a complex array laid out over approximately 67 kilometres of transmitting and receiving lines.

Results from the Induced Polarisation (IP) survey completed during the half year are considered by Buxton to be outstanding.

This work has detected a previously unknown, very large body of moderately chargeable material at depth, beneath the entire Merlin prospect. The body appears to be >2 km long and at least several hundred metres across, ranging in depth between ~60 to 400m below surface. Adding to potential, this body appears to plunge down and be open beyond 500m depth at the eastern end, possibly indicating a magmatic feeder zone (see Figure 2).

At this early stage, Buxton considers that supporting surface and drillhole geochemistry, supporting geology, geometry and location of the body, as well as the structural/tectonic setting all indicate that the chargeable body will prove to be related to Ni-Cu sulphides within the Ruins Dolerite.

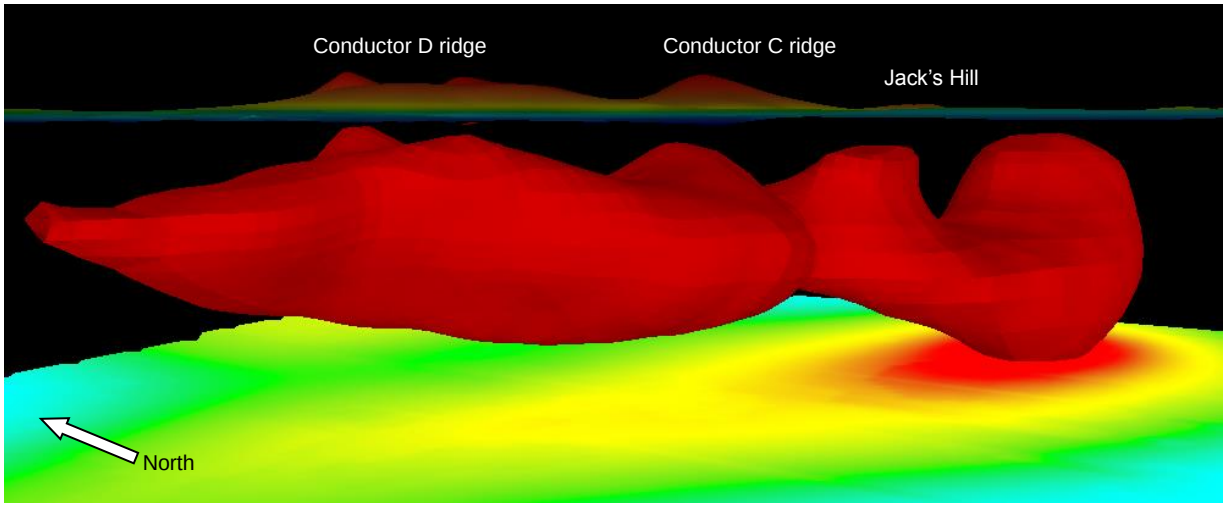


Figure 2 – Merlin IP survey volume looking north-east, chargeability iso-surface 20 mV/V displayed, topography above, horizontal model slice displayed at base is ~530m below surface (-420RL)

So far, only two drillholes have intersected this chargeability anomaly, being DMRC0004 and DMDD0003 drilled under Conductor C in 2015. Both holes may have just intersected the very top of the chargeable body (see Figure 3), returning intersections of;

- 18 metres @ 0.51% Ni, 0.21% Cu (DMRC0004 152-170m downhole, reported 2/11/15), and;
- 9.6 metres @ 0.59% Ni, 0.21% Cu (DMDD0003 142.4-152.0m downhole, reported 27/11/15).

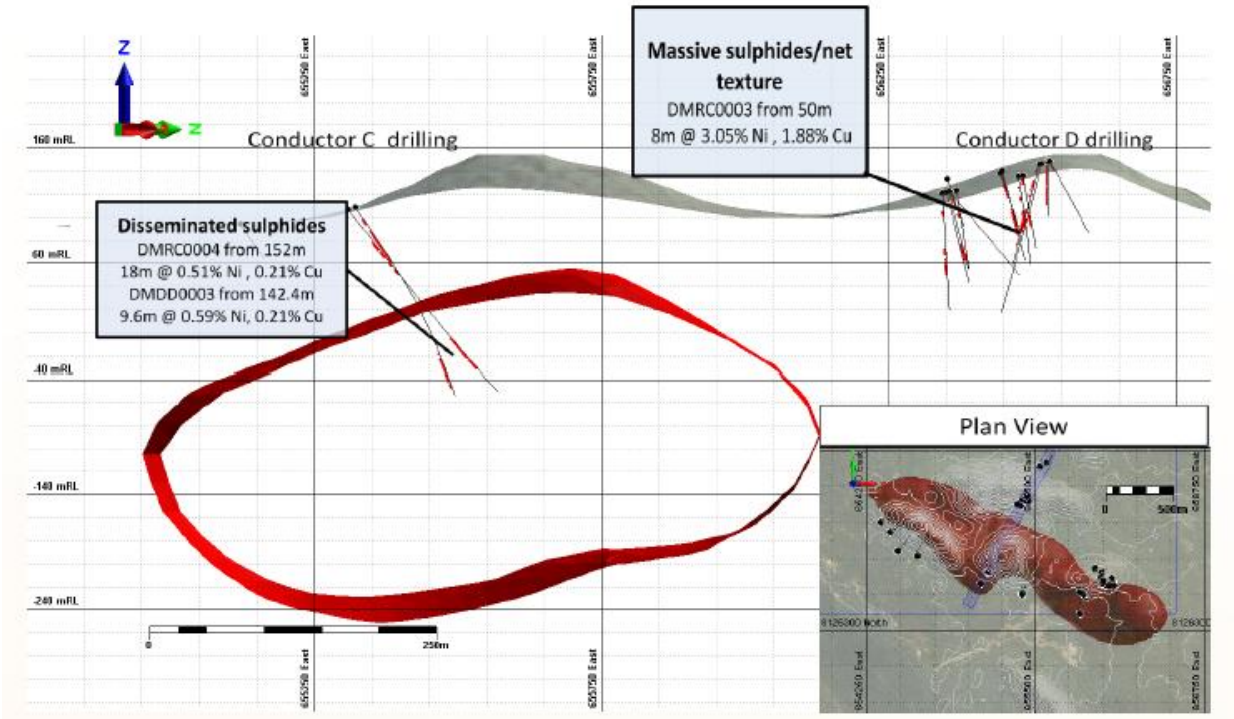


Figure 3 – Cross-section looking north-west showing chargeability iso-surface 20mV/V with drilling

This chargeable body may represent a large volume of mafic rock which is prospective for accumulations of nickel-copper sulphides. It exhibits irregular geometries in places, which may further enhance potential for sulphide accumulations.

Buxton reminds readers that this chargeability anomaly could represent a number of different geological entities, such as;

- Mafic rock with variable grade nickel-copper sulphide mineralisation
- Disseminated magnetite within later mafic rocks, or within surrounding schists, or
- Some other mass of chargeable rock of an unexpected nature.

However, considering the supporting surface and drillhole geochemistry, size, location, geometry, lack of magnetic expression of the body, possible geological model/s as well as the structural and tectonic setting, it is Buxton's opinion that that the chargeable body will prove to be a reflection of nickel-copper sulphides within a large volume of Ruins Dolerite.

The contraction and focussing to depth of the chargeability anomaly at the eastern end, extending beyond the depth of investigation, may suggest a magmatic feeder chamber to the more flat-lying portion. Importantly, previous shallow drilling targeting TEM conductivity anomalies appears to have largely missed these deeper targets.

Buxton believes this survey has dramatically enhanced the prospectivity of Double Magic for magmatic nickel-copper sulphide deposits and added a massive amount of information to the evolving 3D geological picture. These results have also validated the innovative use of high-power 3D IP at Merlin.

Outcropping Ni-Cu Sulphides supports IP Results

As part of the extensive work program carried out at Double Magic during the 2016 field season detailed mapping and rock chip sampling defined nickel-copper sulphides in outcrop with a strike length of over 700m (Figure 4). This nickel-copper sulphide zone is directly up dip from the 2015 drilling at Conductor D and also interpreted to be directly related to the recent IP chargeable anomaly (announced 24/10/2016). Additional nickel-copper mineralisation was also identified at surface on Conductor C.

All geological indications are pointing towards potentially a much larger Ni-Cu mineralised system existing than was previously understood at Double Magic. The surface mineralisation extends the strike length of the Conductor D mineralisation from ~65m in drilling to over 700m on surface. The occurrence of this mineralisation adds confidence to the interpretation that the IP chargeability anomaly represents a large disseminated Ni-Cu sulphide target, with the top of the IP anomaly ranging from 60m to 100m from surface.

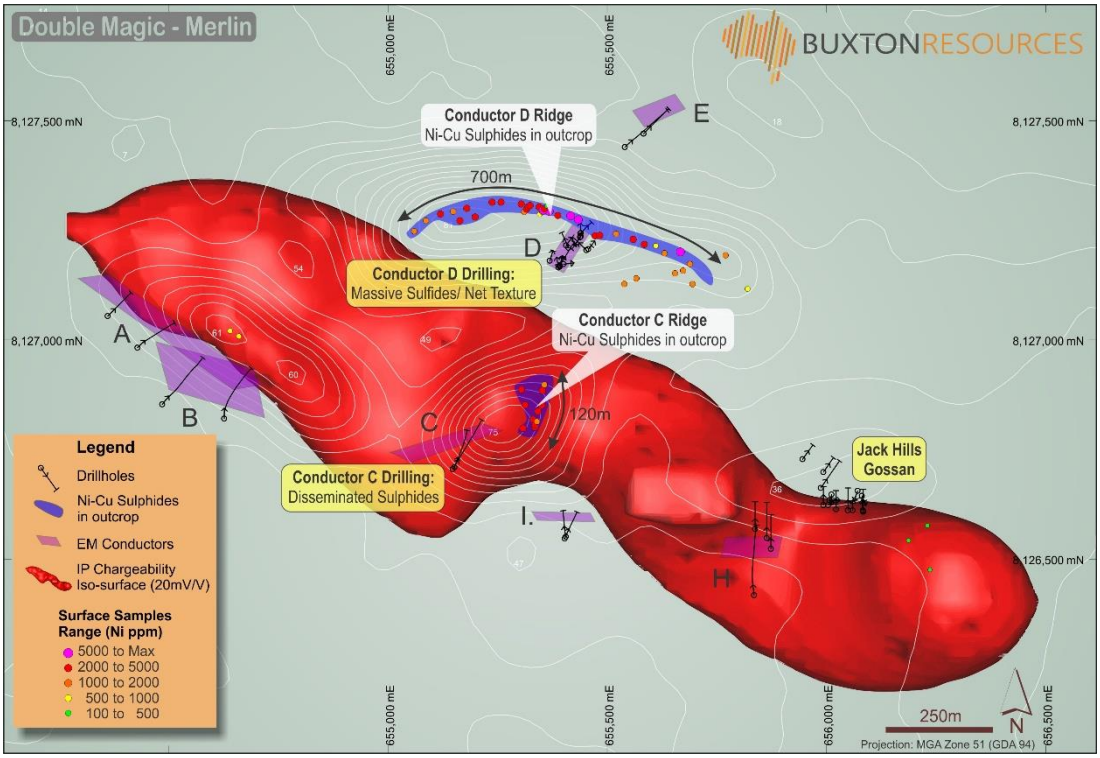


Figure 4 *– Plan view of 2016 rock chip assay results Ni (ppm), highlighting ~700m strike of Ni-Cu sulphides in outcrop up dip from the drilling at Conductor D, showing the recently defined IP chargeability anomaly (20mV/V)*

Comment: Eamon Hannon, Managing Director

"For over 18 months the Double Magic project has ticked all the key technical criteria required to host a large sulphide body. The latest round of results has added yet another layer of strong supporting evidence for the existence of a large Ni-Cu mineralised system."

"The Buxton team believes that we could have a tiger by the tail and all of the work to date suggests there is a high possibility for a significant Ni-Cu deposit to exist at our Double Magic project. Very exciting times ahead!"

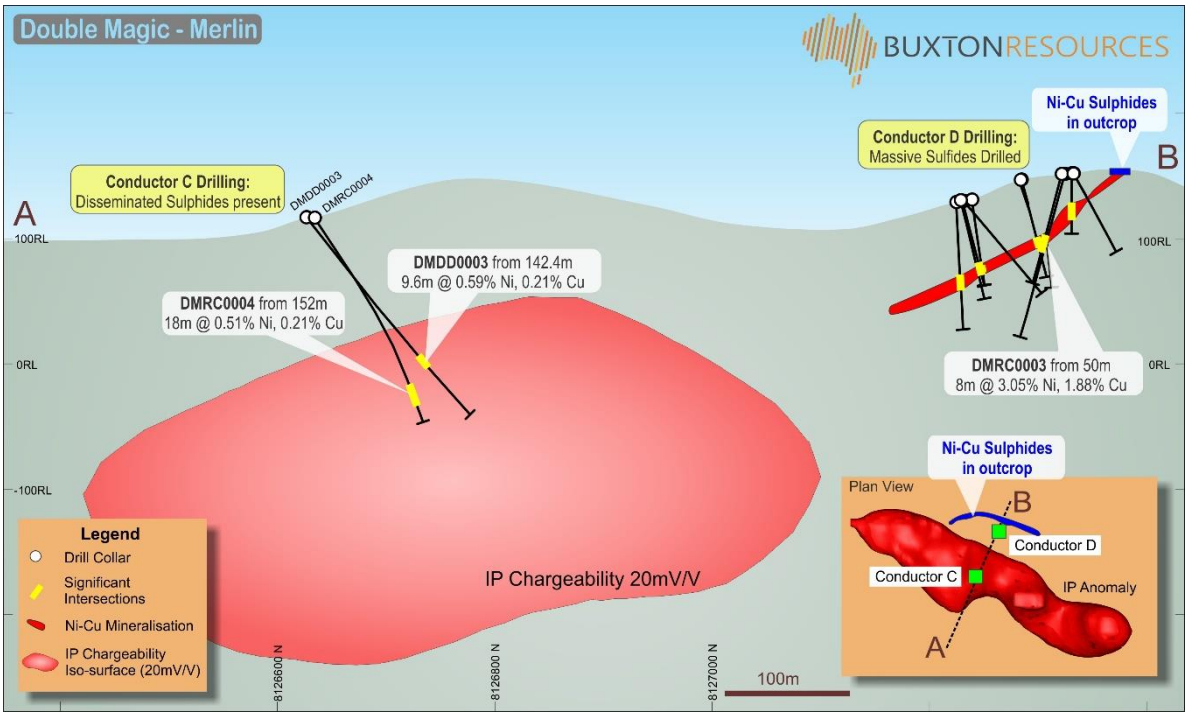


Figure 5 *– Cross-section looking north-west showing IP chargeability iso-surface 20mV/V with drilling and surface Ni-Cu sulphides*

PGE Results Support Magmatic Genesis At Double Magic

During the quarter a selection of mineralised surface and diamond core samples were analysed for the full suite of six PGE elements (Os, Ir, Ru, Rh, Pt and Pd) using the fire assay method with a nickel sulphide collector at Bureau Veritas Ultra Trace, Canning Vale, Western Australia.

The samples selected were across a range of mineralisation styles (disseminated, net/matrix and massive sulphide) and grade ranges (0.47 - 6.35% Ni). These were selected as being representative of mineralisation so far identified at the Double Magic Ni-Cu Project.

Results just received show elevated levels across the entire range of PGEs, see Table 1. Note that Ni and Cu results are from previous analysis of the same samples by Intertek Genalysis. Drillhole locations are listed in Table 2.

Of particular significance are the IPGE results (Os, Ir and Ru). These elements are only present in magmatic systems as they are immobile therefore cannot be transported, for example by hydrothermal systems. This is of genetic importance and adds an additional layer of confidence to the interpretation that the Double Magic Project hosts a primary magmatic mineralising system with potential to host significant accumulations of Ni-Cu sulphides.

It should be noted that these PGE results would not be expected to result in economic credits.

Sample	Os	Ir	Ru	Rh	Pt	Pd	Ni	Cu	Description
UNITS	ppb	ppb	ppb	ppb	ppb	ppb	ppm	ppm	
Detection limit	0.1	0.1	0.1	0.1	0.5	0.5	1	1	
33589	13.3	19.9	41.1	34.1	347.0	255.0	63504	1347	Massive, DMDD0003 144m
BRC3385	3.9	6.6	17.5	7.7	15.5	53.0	32213	9979	Net/matrix, DMDD0001 52.1m
33590	0.8	1.5	3.4	0.5	25.5	34.5	4695	1940	Disseminated, DMDD0003 144.2m
33648	0.8	2.1	3.2	0.9	24.5	20.0	7293	2450	Disseminated, DMDD0004 48.5m
BRC3683	1.2	1.8	6.1	2.4	26.5	27.5	5628	2312	Disseminated, 655,417mE 8,127,283mN

***Table 1** – Platinum-Group Element results for selected mineralised samples from Double Magic*

Finalised Induced Polarisation Survey Results

Final results, interpretation and documentation of the IP survey (first reported to the ASX 24/10/16) have been received from Buxton's geophysical consultants, Southern Geoscience Consultants. Final evaluation of data confirmed that "*overall the acquired dataset is deemed to be of high quality and consistent/repeatable across the full survey areal coverage*". The depth investigation level "*has conservatively been estimated to be ~500m for larger volumetric targets within the central target corridor*". However, the 100-400+ metre depth focus of the survey and resultant dipole spacing of 100 metres means that "*shallow/localised IP anomalism will not be resolved in any great amount of detail",* meaning that the implications of any IP responses, or lack thereof, within about 100m of surface should be considered with care.

Indications are that the chargeability anomaly may have three discrete internal zones, two isolated features to the east and a longer, broader feature to the west. Possible structural influences can be observed. Broadly speaking, the IP chargeability anomaly lies within a corridor beneath, and flanked by, known EM conductors (from VTEM, FLTEM and DHTEM surveys). Drilling has proven every one of those conductors to be the result of Ni-Cu sulphide accumulations.

In conclusion, Southern Geoscience Consultants (SGC) commented that "*In the case of Double Magic and geological observations from mapping/limited drilling to date it is believed that the most likely source of the main/primary IP anomalism is disseminated sulphides (whether mineralised/non-mineralised remains to be tested). There is also the possibility that IP anomalism could be related to disseminated magnetite within later mafic rock types....It is believed unlikely that the IP anomalism is sourced by either graphite bearing rock types or clays/alterations/structure.*"

Hole ID	Conductor	East	North	RL	Az	Dip	EOH (m)
DMDD0001	D	655,437	8,127,236	151	214	-75	134.6
DMDD0003	C	655,146	8,126,706	117	030	-52	204.2
DMDD0004	D	655,409	8,127,210	147	337	-60	75.2

***Table 2** – Details of text-referenced diamond drillholes (all previously reported). MGA Zone 51 (GDA94)*

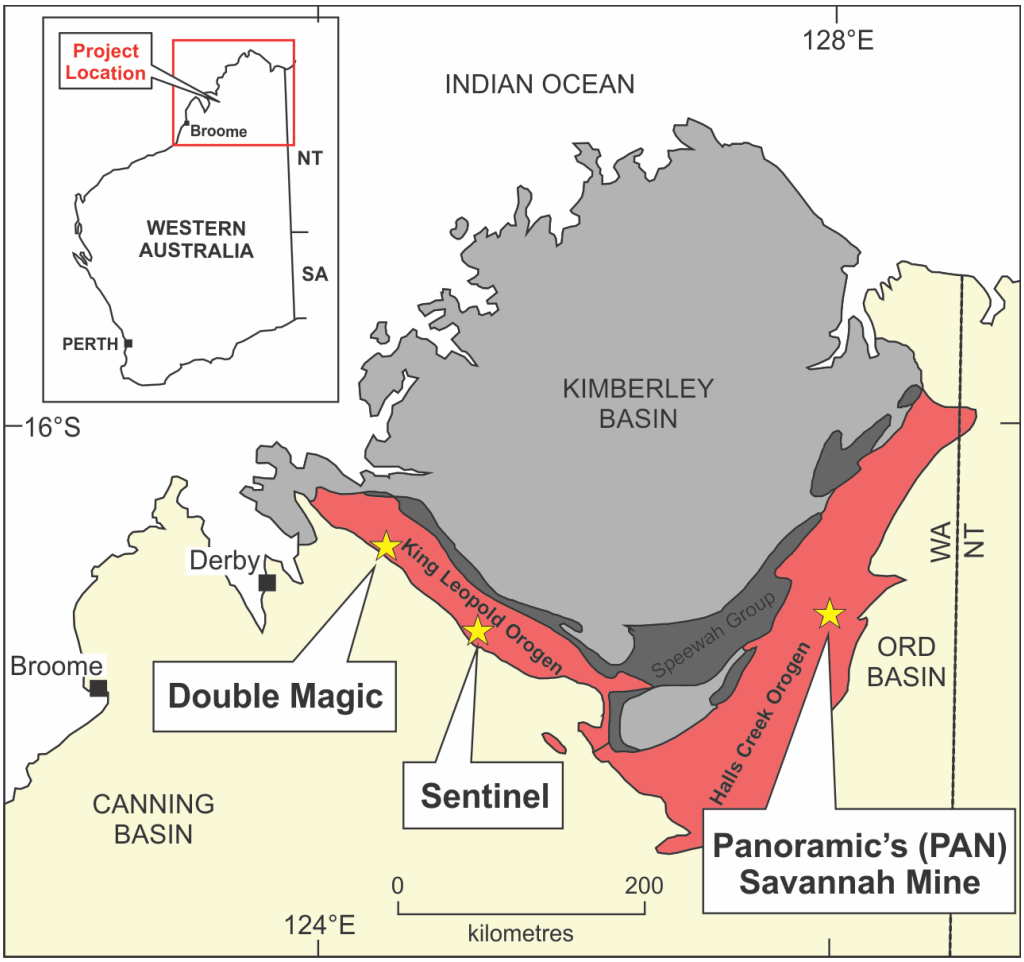


Figure 6 – Location of Buxton's two West Kimberley projects, also showing the location of Panoramic's Savannah Ni-Cu Mine

Sentinel Project Ni & Cu – West Kimberley

Buxton has taken advantage of a softer nickel price and quieter market sentiment during the first half of 2016 to consolidate the Company's strategic position, in the West Kimberley particularly. Leveraging off the Company's large and growing proprietary technical knowledge base, Buxton has pegged three new Exploration Licenses in the West Kimberley, being pending applications E04/2406, E04/2407 and the March 2016 granted E04/2408, now named Sentinel (see Fig 1 for locations of granted licenses).

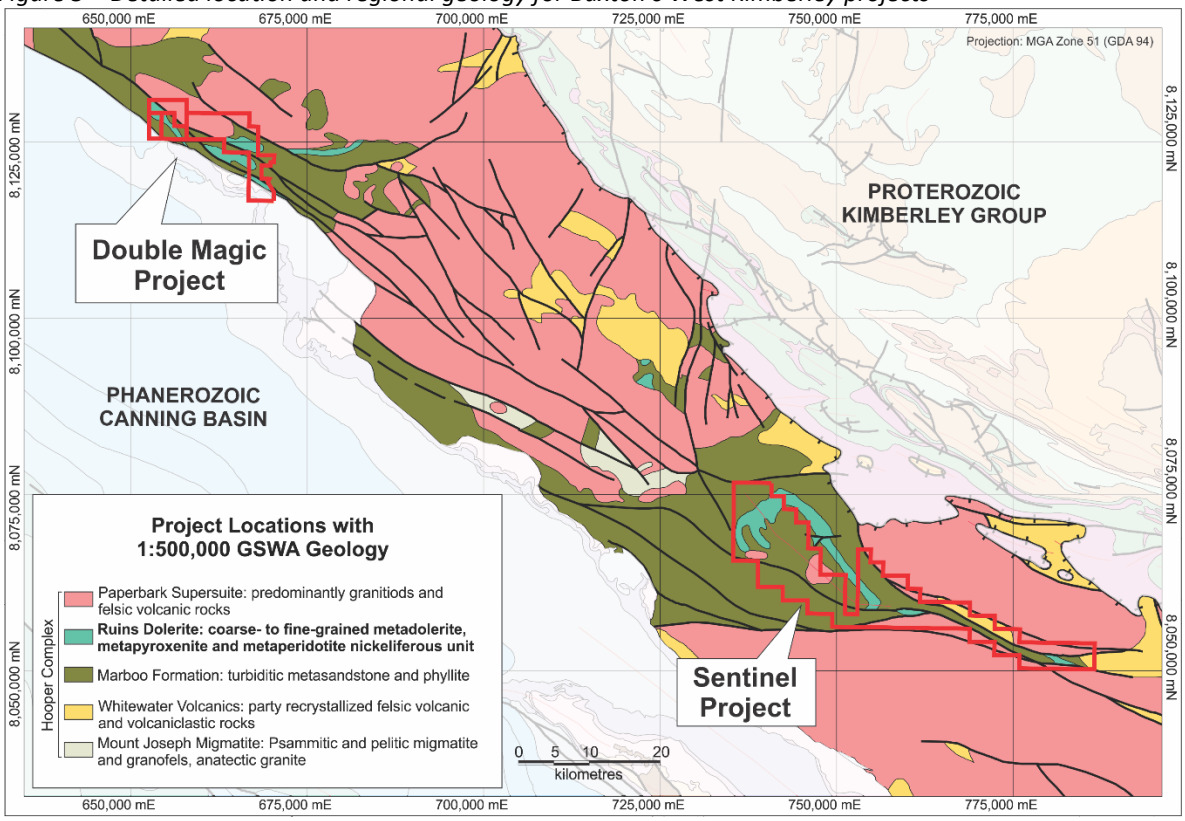
Buxton's wholly owned E04/2408 Sentinel Project was granted on the 16th of March 2016. The Project is located approximately 110km along strike to the southeast from the Double Magic Project (See Fig 5 overleaf for regional geology).

The ground was applied for based on the likely presence of prospective rocks assigned to the Ruins Dolerite, similar to the rocks seen at Double Magic. Buxton's 2015 results proved that the Ruins Dolerite does host better-than-economic Ni-Cu sulphide grades. The granted Sentinel Project, as well as other tenement applications made by Buxton in the Hooper Complex, all contain significant but under-explored mapped occurrences of Ruins Dolerite.

Not only does Sentinel contain significant quantities of mapped Ruins Dolerite, it has the only recorded occurrence of peridotite within the Ruins Dolerite (Derrick and Playford, 1973, Lennard River Explanatory Notes). Peridotite (an ultramafic rock predominantly composed of olivine and pyroxene) indicates a more primitive part of the magmatic system, typically the most prospective part of mafic-ultramafic systems for primary magmatic Ni-Cu sulphide mineralisation.

An initial field reconnaissance trip to the Sentinel Project was undertaken during July, with regional geological and lithogeochemical traverses completed. Rock chip samples have also been collected for petrographic review. Assessment of results is ongoing.

Figure 5 – Detailed location and regional geology for Buxton's West Kimberley projects



Zanthus/Widowmaker Project Ni & Cu – Fraser Range

On 24 August 2016, Buxton announced that it has entered into a joint venture agreement with Independence Group NL (ASX: IGO) in respect of its Zanthus (E28/1959) and Widowmaker (E28/2201) tenements (the Tenements) located in the Fraser Range, Western Australia (Figure 6).

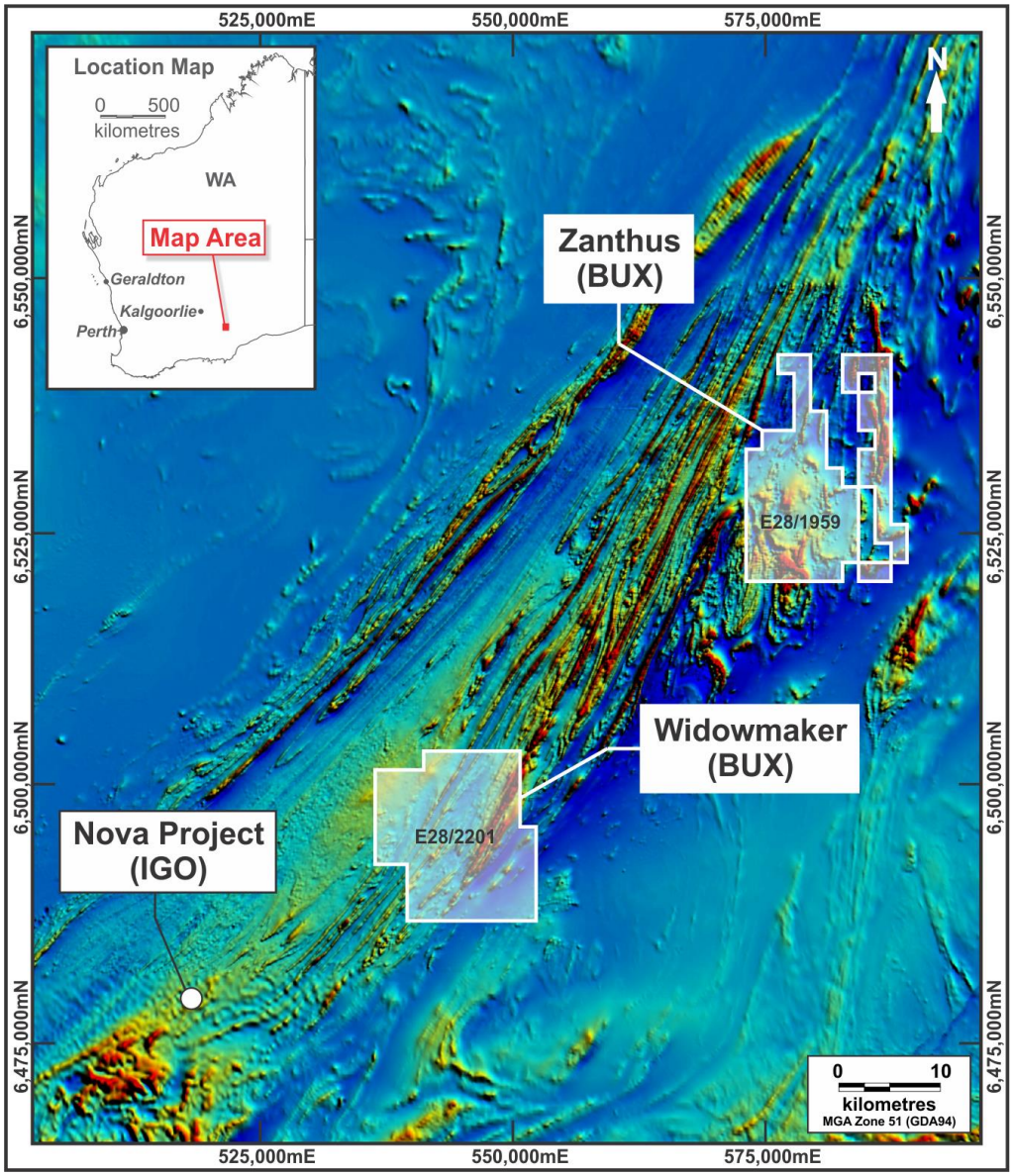


Figure 6: Location of the Tenements in the Fraser Range, Western Australia

Buxton's Managing Director, Mr Eamon Hannon said "The formation of this joint venture in the Fraser Range with Independence Group is a great result for Buxton shareholders. Buxton has received $1.5 million in cash and will be free carried on all expenditure until a Decision to Mine is made on the Tenements – at which point Buxton will have a 10% interest in possibly a world-class nickel deposit. We are excited about the potential upside from this joint venture.

The Fraser Range is a highly prospective ground package, however requires the significant financial resources of a leading diversified mining house like Independence Group to undertake aggressive exploration campaigns.

The joint venture will enable Buxton to achieve considerable cost and administrative savings and help fast-track its highly promising flagship Double Magic Project in the Kimberley region of Western Australia."

Under the terms of the joint venture agreement, Buxton grants to IGO the sole and exclusive right to acquire a 90% interest in the Tenements by IGO immediately paying $1.5 million in cash. Buxton will maintain a 10% interest in the Tenements.

Buxton and IGO will associate in an unincorporated joint venture for the purpose of exploring, and if warranted, developing and mining the Tenements in relation to all minerals other than iron ore. Buxton shall be free-carried by IGO until such time as a Decision to Mine is made in respect of the Tenements.

At this point, Buxton may elect to either participate in development by contributing capital pro-rata based on its JV interest, have its remaining 10% interest purchased by IGO for market value, or dilute to a Net Smelter Return Royalty (NSR).

The parties agree that IGO will grant to Buxton the exclusive right to explore and develop iron ore on the Tenements. The terms of such an exclusive right are to be finalised in a formal agreement to be entered into at the same time as the formal exploration joint venture agreement is completed.

Buxton's 100% owned Zanthus Magnetite Project is located on the Tenements and contains an Initial Inferred JORC Resource of 103.6Mt at 26.5% Fe, with good potential to expand the resource. The Zanthus Ni-Cu Project is located approximately 60km along strike from IGO's Nova Ni-Cu-Co Project in the emerging Fraser Range Nickel Province, Western Australia. The project covers an area of 367km2. Gravity data was gathered over an area of 137km2 of the potential gneiss units interpreted as being similar to those that host "the Eye" mafic - ultramafic intrusive that contains the Nova-Bollinger deposit.

Buxton's Widowmaker Project is also located in the Fraser Range and covers an area of approximately 225km2. The Fraser Range Nickel Province is host to a number of significant discoveries, most notably IGO's Nova Project with Buxton's Widowmaker Project located 22km along strike.

Approximately 15km of strike length of the favourable lithological host-rock package is interpreted to underlie the Widowmaker Project with multiple, significant Ni, Cu and PGE anomalies identified in a historical calcrete soil sampling database.

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results and geology for the Double Magic Project is based on information previously reported under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled by Mr Rolf Forster, Member of the Australasian Institute of Mining and Metallurgy, and Mr Derek Marshall, Member of the Australian Institute of Geoscientists. Mr Forster is an Independent Consultant to Buxton Resources Limited and Mr Marshall is a full-time employee. Mr Forster and Mr Marshall 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 Forster and Mr Marshall consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to exploration results and geology for the Widowmaker and Zanthus projects is based on information previously reported under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled and/or reviewed by Mr Eamon Hannon, Fellow of the Australian Institute of Mining and Metallurgy and MD at Buxton Resources Limited. No material changes have occurred to this information. Mr Hannon 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 report.

The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Russell Mortimer, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience Consultants Pty Ltd. Mr Mortimer is a member of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities 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 Mortimer consents to the inclusion in the report of matters based on information in the form and context in which it appears.

CORPORATE

During the period the Company issued 5,900,000 options to Directors, employees and consultants. The unlisted options have an exercise price of 15 cents and an expiry date on 30 November 2019.

ANNUAL GENERAL MEETING

Buxton held its Annual General Meeting of Shareholders on 21 November 2016 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.

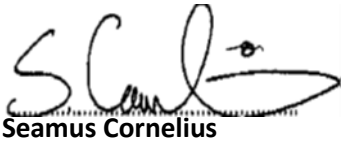
SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the balance 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.

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, 14th March 2017

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 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 review of the 31 December 2016 interim financial statements; and

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

Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 14 March 2017

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Half-year ended	
		31 Dec 2016	31 Dec 2015
		$	$
Revenue from continuing operations	3	1,500,000	7,845
Depreciation expense		(7,456)	(8,884)
Salaries and employee benefits expense		(269,016)	(275,105)
Share based payment expense		(497,904)	(324,883)
Exploration and evaluation expense		(668,669)	(1,432,311)
Corporate expense		(73,010)	(116,571)
Administration expense		(83,943)	(67,518)
Loss from operating activities		(99,998)	(2,217,427)
Finance income		7,532	12,471
Finance cost		-	-
Net finance income		7,532	12,471
Loss before income tax		(92,466)	(2,204,956)
Income tax expense		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(92,466)	(2,204,956)
Basic and diluted loss per share (cents)		(0.10)	(2.50)

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 $	30 June 2016 $
CURRENT ASSETS			
Cash and cash equivalents		1,773,226	1,374,221
Trade and other receivables		34,217	25,998
Other financial assets		128,000	128,000
Other current assets		20,222	13,651
TOTAL CURRENT ASSETS		1,955,665	1,541,870
NON-CURRENT ASSETS			
Deferred exploration expenditure		656,862	656,862
Plant and equipment		33,111	41,162
TOTAL NON-CURRENT ASSSETS		689,973	698,024
TOTAL ASSETS		2,645,638	2,239,894
CURRENT LIABILITIES			
Trade and other payables		137,948	137,642
TOTAL CURRENT LIABILITIES		137,948	137,642
TOTAL LIABILITIES		137,948	137,642
NET ASSETS		2,507,690	2,102,252
EQUITY			
Issued capital	4	14,891,078	14,884,484
Reserve	6	1,837,863	1,973,646
Accumulated losses		(14,221,251)	(14,755,878)
TOTAL EQUITY		2,507,690	2,102,252

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued capital	Accumulated losses	Option reserve	Total
	$	$	$	$
Balance at 1 July 2015	12,931,994	(11,893,057)	1,475,954	2,514,891
Total comprehensive income for the period	-	(2,204,956)	-	(2,204,956)
Shares issued for cash	2,025,700	-	-	2,025,700
Shares issued under exploration agreements	58,837	-	-	58,837
Share issue costs	(132,046)	-	-	(132,046)
Share option payments	-	-	324,883	324,883
Balance at 31 December 2015	14,884,485	(14,098,013)	1,800,837	2,587,309
Balance at 1 July 2016	14,884,484	(14,755,878)	1,973,646	2,102,252
Total comprehensive income for the period	-	(92,466)	-	(92,466)
Expiry of options	-	627,093	(627,093)	-
Share-based payments	6,594	-	491,310	497,904
Balance at 31 December 2016	14,891,078	(14,221,251)	1,837,863	2,507,690

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Half-year ended	
	31 Dec 2016	31 Dec 2015
	$	$
Cashflows from operating activities		
Cash receipts from customers	-	7,845
Payments for exploration and evaluation	(689,070)	(1,544,853)
Payments to suppliers	(182,988)	(125,232)
Payments to staff	(236,673)	(274,403)
Interest received	7,736	17,504
Net cash inflow/(outflow) from operating activities	(1,100,995)	(1,919,139)
Cashflows from investing activities		
Transfers from term deposits	-	128,000
Proceeds from the sale of exploration interests	1,500,000	-
Net cash outflow from investing activities	1,500,000	128,000
Cashflows from financing activities		
Proceeds from the issue of shares	-	2,025,700
Payments for share issue costs	-	(132,046)
Net cash inflow from financing activities	-	1,893,654
Net increase/(decrease) in cash and cash equivalents	399,005	102,515
Cash and cash equivalents at the beginning of the period	1,374,221	1,954,686
Cash and cash equivalents at the end of the period	1,773,226	2,057,201

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

NOTES TO THE CONDENSED 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 2016 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 2016 and any public 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, except as set out below.

New and amended standards adopted by the Company

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company during the interim reporting period.

Impact of standards issued but not yet applied by the Company

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

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 Company operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

	1 July 2016 to 31 December 2016 $	1 July 2015 to 31 December 2015 $
Sale of exploration interest	1,500,000	-
Rental income	-	7,392
Sundry income	-	453
Total for the period	1,500,000	7,845

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: ISSUED CAPITAL

	31 December 2016	30 June 2016
	$	$
Issued and paid up capital		
Fully paid ordinary shares	14,891,078	14,884,484

	Six months to 31 December 2016 Number	Year to 30 June 2016 Number
Movements in fully paid shares on issue		
At beginning of period	88,462,921	77,525,121
Share-based payment	82,418	-
Issued for exploration interest	-	427,800
Issued for cash	-	10,510,000
Balance at end of period	88,545,339	88,462,921

NOTE 5: OPTIONS

	Six months to 31 December 2016 $	Year to 30 June 2016 $
Movements in options over ordinary shares on issue		
Unlisted		
Balance at beginning of period	27,350,000	19,150,000
Issue of unlisted options during the period	5,900,000	11,400,000
Expiry of options during the period	(7,275,000)	(3,200,000)
Balance at end of period	25,975,000	27,350,000
Listed		
Balance at beginning of period	-	4,194,450
Expiry of options during the period	-	(4,194,450)
Balance at end of period	-	-

NOTE 6: RESERVES

	Six months to 31 December 2016 $	Year to 30 June 2016 $
Option premium reserve		
Balance at beginning of period	1,973,646	1,475,954
Expiry of options during the period	(627,093)	-
Issue of unlisted options during the period	491,310	497,692
Balance at end of period	1,837,863	1,973,646

NOTE 7: CONTINGENCIES

There has been no change in contingent liabilities or assets since the last annual reporting date.

NOTE 8: SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the balance 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.

NOTE 9: COMMITMENTS

Exploration commitments

In order to maintain current rights of tenure to mining tenements and permits, the Company 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 2016 $	30 June 2016 $
Within one year	1,788,178	1,175,720
Later than one year but not later than 5 years	4,353,320	5,278,880
	6,141,498	6,454,600

If the Company 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.

Operating lease commitments

	31 December 2016 $	30 June 2016 $
Within one year	24,900	24,900
Later than one year but not later than 5 years	14,525	26,975
	39,425	51,875

BUXTON RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

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

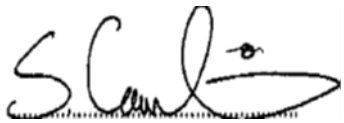
   (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year then ended.

2. There are reasonable grounds to believe that the Company 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,14th March 2017

ROTHSAY

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Phone 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Buxton Resources Ltd

The financial report and directors' responsibility
The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Buxton Resources Ltd for the period ended 31 December 2016.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2016 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Buxton Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

Independence
In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Buxton Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the company as at 31 December 2016 and of its performance for the period ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay Auditing

GR Swan

Graham R Swan FCA
Partner

Dated 14 March 2017

Chartered Accountants