



BUXTON RESOURCES LIMITED

ABN 86 125 049 550

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2018

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 2017 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*.

BUXTON RESOURCES LIMITED

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BUXTON RESOURCES LIMITED

CORPORATE INFORMATION

Buxton Resources Limited

ABN: 86 125 049 550

Directors

Seamus Cornelius

Eamon Hannon

Anthony Maslin

Stuart Fogarty

Feng (Frank) Xue

Auditors

Rothsay Chartered Accountants

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

14-16 Rowland Street

Subiaco WA 6008

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Share Register

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace

Perth WA 6000

Home Exchange

Australian Securities Exchange

Level 40 Central Park

152-158 St Georges Terrace

Perth WA 6000

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 2018.

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

Stuart Fogarty

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 2018 of \$1,914,385 (31 December 2017; \$2,453,842).

At 31 December 2018 the Company held cash and cash equivalent balances of \$5,306,211 (30 June 2018; \$2,083,448).

EXPLORATION

Buxton's Double Magic (Merlin) Exploration Success Secures Partnership with Independence Group

Buxton entered into binding agreements with Independence Group NL (ASX:IGO) to dramatically advance and accelerate the exploration of the Merlin/Double Magic prospect and the greater West Kimberley tenement position (refer to BUX ASX announcement 29 November 2018).

IGO subscribed to 15% of Buxton's capital structure via the placement of 20,408,315 ordinary shares at 20 cents per share representing a 35.2% premium to the 20-day VWAP. This raised approximately \$4M. Proceeds will be used to fund the next round of exploration at the Merlin prospect and other work.

In addition, Buxton granted IGO a 24-month option, whereby IGO can earn in and ultimately achieve a 70% JV interest in the Double Magic/Merlin Project by spending AUD \$8,000,000 (exclusive of GST) over a four (4) year period. Buxton will then be free carried to completion of Feasibility.

An additional agreement has been reached between Buxton and IGO where IGO can earn in and ultimately achieve an 80% interest in Buxton's regional tenement land position in the West Kimberley (i.e. outside of the Double Magic/Merlin project area) via an expenditure of AUD \$3,000,000 (exclusive of GST) over a four (4) year period. Once the 80% interest has been achieved, Buxton will be free carried to completion of Feasibility.

The definition of Feasibility has been detailed within the agreements that it would equate to a document that could be used for project financing.

As part of the agreements, IGO have committed to Buxton to underwrite any rights issue to the value of \$2,280,000 within 12 months of the execution date of the agreements.

BUXTON RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Eamon Hannon said, "Buxton shareholders should be well pleased that Independence Group with their great technical people and drive for exploration success has partnered with Buxton in the West Kimberley. For the last four years Buxton has technically de-risked a new highly prospective geological province in Western Australia and with the technical and financial support from IGO, exploration success can occur at a far greater pace than what Buxton would achieve on its own. This level of industry support is testament to the great work the small Buxton team has done and the quality of the projects".

A technical committee will be created with representation from both IGO and Buxton to define the next drilling and geophysical programs at Merlin. Buxton will continue to manage the Merlin prospect exploration whilst IGO will undertake management of the West Kimberley regional exploration.

New World Cobalt Project Acquisition

During the half-year, Buxton entered into an agreement with New World Cobalt Limited (New World) to acquire its West Kimberley Project which comprises New World's interest in three tenements (E04/1972, E04/2314 & E04/2423) adjacent and contiguous to Buxton's flagship Merlin Project (refer to BUX ASX announcement 6 November 2018 for key terms and additional information).

Notably, New World's West Kimberley Project includes the north-western along strike continuation of the geological sequence that hosts Buxton's magmatic Ni-Cu-Co sulphide mineralisation at the Merlin Project, thus it is considered highly prospective for additional mineralisation within the Ruins Dolerite.

Fraser Range Joint-Venture

Buxton and IGO entered into a joint venture agreement for two tenements in the Fraser Range, Widowmaker E28/2201 and Zanthus E28/1959, in 2016 whereby Buxton retained a 10% free carry to decision to mine (refer to BUX ASX announcement 24 August 2016).

Regional exploration activities by IGO continued during the half year, with five priority targets on Widowmaker being the most significant identified to date. Buxton eagerly awaits further exploration updates from IGO.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Derek Marshall, Member of the Australasian Institute of Geoscientists, and Mr. Eamon Hannon Fellow of the Australian Institute of Geoscientists. Mr. Marshall and Mr. Hannon are full-time employees of Buxton. Mr. Marshall and Mr. Hannon 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. Marshall and Mr. Hannon consent to the inclusion in this report of the matters based on the information in the form

BUXTON RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

CORPORATE

During the period the Company raised \$4,081,663 through the placement of 20,408,315 shares to Independence Group NL (IGO) at an issue price of 20 cents per share. The funds raised are for the purpose of exploring the Merlin/Double Magic project. For further details of the agreements entered into with IGO refer to review of operations – exploration.

The Company also issued 2,962,962 shares at a deemed value of 13.5 cents per share to a drilling contractor in settlement of an invoice.

The Company issued 1,333,333 shares at a deemed value of 14.5 cents per share as consideration for the West Kimberley exploration project.

The Company received \$62,500 through the exercise of 500,000 options exercisable at 12.5 cents per option.

During the period, the Company issued 5,350,000 options to directors, staff and consultants. The options are exercisable at 19 cents and have an expiry date of 30 June 2021. For further details of share-based payments refer to Note 4: Share-based payments expense.

ANNUAL GENERAL MEETING

Buxton held its Annual General Meeting of Shareholders on 29 November 2018 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 2019



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Phone (08) 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 2018 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 14 March 2019

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	Half-year ended 31 Dec 2018 \$	31 Dec 2017 \$
Revenue from continuing operations	3	677,491	159,064
Depreciation expense		(13,431)	(8,901)
Salaries and employee benefits expense		(372,825)	(270,413)
Share-based payment expense	4	(649,110)	-
Exploration and evaluation expense		(1,411,462)	(2,211,384)
Corporate expense		(100,521)	(100,707)
Administration expense		(53,141)	(51,574)
Loss from operating activities		(1,922,999)	(2,483,915)
Finance income		8,614	30,073
Finance cost		-	-
Net finance income		8,614	30,073
Loss before income tax		(1,914,385)	(2,453,842)
Income tax expense		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,914,385)	(2,453,842)
Basic and diluted loss per share (cents)		(1.64)	(1.82)

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 2018

	Note	31 December 2018 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		5,306,211	2,083,448
Trade and other receivables		14,375	48,586
Other financial assets		128,000	128,000
Other current assets		40,134	7,838
TOTAL CURRENT ASSETS		5,488,720	2,267,872
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure		850,195	656,862
Plant and equipment		80,118	76,817
TOTAL NON-CURRENT ASSETS		930,313	733,679
TOTAL ASSETS		6,419,033	3,001,551
CURRENT LIABILITIES			
Trade and other payables		88,626	122,505
TOTAL CURRENT LIABILITIES		88,626	122,505
TOTAL LIABILITIES		88,626	122,505
NET ASSETS		6,330,407	2,879,046
EQUITY			
Issued capital	5	24,234,892	19,518,256
Reserve	6	1,505,535	1,309,172
Accumulated losses		(19,410,020)	(17,948,382)
TOTAL EQUITY		6,330,407	2,879,046

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 2018

	Issued capital	Accumulated losses	Share-based payment reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2017	19,268,256	(15,191,367)	1,810,662	5,887,551
Total comprehensive income for the period	-	(2,453,842)	-	(2,453,842)
Exercise of options	250,000	85,408	(85,408)	250,000
Balance at 31 December 2017	19,518,256	(17,559,801)	1,725,254	3,683,709
Balance at 1 July 2018	19,518,256	(17,948,382)	1,309,172	2,879,046
Total comprehensive income for the period	-	(1,914,385)	-	(1,914,385)
Issued for cash	4,081,663	-	-	4,081,663
Issued to drilling contractor	400,000	-	-	400,000
Issued for exploration project	193,333	-	-	193,333
Share-based payments			649,110	649,110
Expiry of options	-	431,395	(431,395)	-
Exercise of options	62,500	21,352	(21,352)	62,500
Share issue costs	(20,860)			(20,860)
Balance at 31 December 2018	24,234,892	(19,410,020)	1,505,535	6,330,407

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 2018

	Half-year ended	
	31 Dec 2018	31 Dec 2017
	\$	\$
Cashflows from operating activities		
Cash receipts from customers	677,079	133,132
Payments for exploration and evaluation	(1,447,674)	(2,277,767)
Payments to suppliers	(172,597)	(229,464)
Payments to staff	(343,517)	(277,210)
Interest received	2,900	28,458
Net cash outflow from operating activities	(1,283,809)	(2,622,851)
Cashflows from investing activities		
Payments for plant and equipment	(16,731)	-
Net cash outflow from investing activities	(16,731)	-
Cashflows from financing activities		
Proceeds from the issue of shares	4,481,663	-
Proceeds from the exercise of options	62,500	250,000
Share issue costs	(20,860)	-
Net cash inflow from financing activities	4,523,303	250,000
Net increase/(decrease) in cash and cash equivalents	3,222,763	(2,732,851)
Cash and cash equivalents at the beginning of the period	2,083,448	5,221,125
Cash and cash equivalents at the end of the period	5,306,211	2,848,274

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

BUXTON RESOURCES LIMITED

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 2018 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 2018 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.

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

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15

This Standard amends AASB 15 *Revenue from Contracts* to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and measurement of Share-based Payment Transactions

This Standard amends **AASB 2 Share-based payment** to address:

- (a) the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- (b) the classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and
- (c) the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

- a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.
- c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8. The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

- a) Identify the contract with a customer;
- b) Identify the separate performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the separate performance obligations under the contract; and
- e) Recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.

Consequential amendments are also made by AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities and AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The following Standards and Interpretations have been issued by the AASB but are not yet effective for the financial year ending 31 December 2018

AASB 16 *Leases*

AASB 16 replaces AASB 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and represents them in the statement of cash flows applying them in AASB 107 *Statement of Cash Flows*. AASB 16 substantially carries forward the lessor accounting requirements in AASB 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

Early application is permitted provided the entity also applies AASB 15 *Revenue from Contracts with Customers* at or before the same date.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

In preparing this half-year report the significant judgements made by management in applying the Company'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 2018.

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 2017 to 31 December 2018	1 July 2016 to 31 December 2017
	\$	\$
Joint -venture agreement	545,454	-
Exploration grant	120,000	150,000
Refunds	5,037	-
Rental income	7,000	9,064
Total for the period	677,491	159,064

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: SHARE-BASED PAYMENT EXPENSE

	1 July 2018 to 31 December 2018	1 July 2017 to 31 December 2017
	\$	\$
Options to Director	574,938	-
Options to Staff and Consultants	74,172	-
	649,110	-

Share-based compensation amounting to \$649,110 was paid to Directors, staff and consultants during the year (2017: \$nil), comprising 5,350,000 unlisted options exercisable at 19 cents per option and expiring 30 June 2021. The options vested immediately.

The following Director options were granted during the period:

Director	Date of grant	Number of options granted	Fair value at grant date \$	Expense recognised in current period \$
Seamus Cornelius	27 July 2018	600,000	78,401	78,401
Eamon Hannon	27 July 2018	2,000,000	261,335	261,335
Anthony Maslin	27 July 2018	600,000	78,401	78,401
Stuart Fogarty	27 July 2018	600,000	78,401	78,401
Feng (Frank) Xue	27 July 2018	600,000	78,401	78,401
		4,400,000	574,938	574,938

On 3 August the Company issued 950,000 options to Staff and consultants. The fair value of the options at grant date was 7.81 cents per option. The expense recognised in the current period was \$74,172.

The inputs to the valuation of options granted were:

	Director options	Staff and consultants options
Exercise price (cents)	19	19
Grant date	27-July-18	24-April-18
Option term (years)	3	3
Volatility (%)	105	106
Risk free rate (%)	2.08	2.23
Dividend yield	-	-

The Black-Scholes pricing model was used in the valuations of options issued during the period.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: ISSUED CAPITAL

	31 December 2018	30 June 2018
	\$	\$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	24,234,892	19,518,256
	Six months to 31 December 2018 Number	Year to 30 June 2018 Number
<i>Movements in fully paid shares on issue</i>		
At beginning of period	110,850,822	108,850,822
Issued in consideration for tenements	1,333,333	-
Issued on conversion of options	500,000	2,000,000
Issued for cash	23,371,277	-
Balance at end of period	136,055,432	110,850,822
	Six months to 31 December 2018 \$	Year to 30 June 2018 \$
<i>Movements in options over ordinary shares on issue</i>		
Unlisted		
Balance at beginning of period	19,870,000	25,625,000
Issue of options during the period	5,350,000	-
Exercise of options during the period	(500,000)	(2,000,000)
Expiry of options during the period	(4,920,000)	(3,755,000)
Balance at end of period	19,800,000	19,870,000

NOTE 6: RESERVES

	Six months to 31 December 2018 \$	Year to 30 June 2018 \$
Share-based payment reserve		
Balance at beginning of period	1,309,172	1,810,662
Exercise of options during the period	(21,352)	(85,408)
Expiry of options during the period	(431,395)	(416,082)
Issue of options during the period	649,110	-
Balance at end of period	1,505,535	1,309,172

Share-based payment reserve

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

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: CONTINGENT ASSETS AND LIABILITIES

As part of the Company's agreement to acquire the West Kimberley (WK) project the consideration, in addition to the initial issue of 1,333,333 fully paid ordinary shares in the capital of Buxton to the vendor, includes the following:

- within 5 days of Buxton announcing it has intersected in drilling on the WK project, on a grade-thickness basis, >20% Ni equivalent, providing the grade of the mineralisation intersected is >1.5% Ni equivalent (eg. >10m @ 2.0% Ni or >13.33m @ 1.5% Ni), the issue, to the vendor of an additional number of shares equal to \$250,000;
- Within 5 days of Buxton announcing that it has a JORC compliant resource (inferred, indicated and/or measured; of any size and/or grade; for any commodity) within the WK project, the issue, to the vendor, of an additional number of shares equal to \$250,000; and
- Within 5 days of Buxton announcing that it has a JORC compliant resource that exceeds 15,000 tonnes of contained nickel equivalent within the WK project, the issue, to the vendor, of an additional number of shares equal to \$500,000.

In each case the number of shares to be issued to the vendor will be based on the 10 day VWAP prior to the date on which each relevant milestone is met.

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

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 2018 \$	30 June 2018 \$
Within one year	336,000	897,220
Later than one year but not later than 5 years	1,344,000	3,588,880
	1,680,000	4,486,100

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.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9: COMMITMENTS (CONTINUED)

Operating lease commitments

	31 December	30 June
	2018	2018
	\$	\$
Within one year	-	1,950
Later than one year but not later than 5 years	-	-
	-	1,950

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 company's financial position as at 31 December 2018 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the period from 1 July 2018 to 31 December 2018.
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 2019



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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 2018.

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 2018 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 2018 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 Auditing

Rolf Garda
Partner

Dated 14 March 2019

