
BUXTON RESOURCES LIMITED
ACN 125 049 550

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT AND
PROXY FORM

TIME: 4:30 pm (WST)
DATE: 22 November 2019
PLACE: Steve's Wine Cellar
30 The Avenue
Nedlands, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 0) 408 900 277

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Meeting of Shareholders to which this Notice of Meeting relates to will be held at 4:30 pm (WST) 22 November 2019 at:

Steve's Wine Cellar
30 The Avenue
Nedlands, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed proxy form and return in accordance with the instructions on that form so that it is received not later than 4:30 pm (WST) on 20 November 2019.

Proxy forms received later than this time will be invalid.

BUXTON RESOURCES LIMITED

ACN 125 049 550

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Buxton Resources Limited will be held at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia on 22 November 2019 at 4:30 pm (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

Voting exclusion: A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY MASLIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of article 6.3 of the Constitution and for all other proposes, Anthony Maslin, a Director who retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 3 – ISSUE OF OPTIONS TO EAMON HANNON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 1,500,000 Options to Mr Eamon Hannon, a director of the Company, or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company, a nominee of Eamon Hannon or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 4 – ISSUE OF OPTIONS TO SEAMUS CORNELIUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 1,000,000 Options to Mr Seamus Cornelius, a director of the Company, or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company, a nominee of Seamus Cornelius or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 5 – ISSUE OF OPTIONS TO ANTHONY MASLIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 1,000,000 Options to Mr Anthony Maslin, a director of the Company, or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company, a nominee of Anthony Maslin or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 6 – ISSUE OF OPTIONS TO STUART FOGARTY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 1,000,000 Options to Mr Stuart Fogarty, a director of the Company, or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company, a nominee of Stuart Fogarty or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 7 – ISSUE OF OPTIONS TO FENG (FRANK) XUE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 1,000,000 Options to Mr Feng (Frank) Xue, a director of the Company, or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company, a nominee of Feng (Frank) Xue or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:

- (i) a member of key management personnel; or
 - (ii) a closely related party of such a member provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 8 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

To consider, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 9 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, the New Constitution (which includes proportional takeover provisions), in the form of the proposed constitution initialled by the Chairman of the Meeting for the purposes of identification, be approved and adopted, in accordance with section 136(2) of the Corporations Act and for all other purposes, as the Company's constitution in substitution for the Existing Constitution of the Company."

By order of the Board



Sam Wright
Company Secretary
16 October 2019

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 20 November 2019 at 4:30pm (WST).
4. A proxy form is attached. If required it should be completed, signed and returned in accordance with the instructions on that form.

BUXTON RESOURCES LIMITED
ACN 125 049 550

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.buxtonresources.com.au.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2019;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2019. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY MASLIN

Article 6.3 of the Constitution requires that where the Company has 3 or more Directors, one-third (rounded down to the nearest whole number) must retire at each annual general meeting. Additionally, each of the Constitution and Listing Rule 14.4 provide that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to a managing director.

Mr Maslin was last re-elected at the 2016 Annual General Meeting and retires in accordance with these provisions and, being eligible, offers himself for re-election as a Director.

Mr Maslin is a non-executive Director of the Company. Details of the qualifications and expertise of Mr Maslin are set out in the 2019 Annual Report of the Company.

The Directors recommend the re-election of Mr Maslin as a Director.

4. RESOLUTIONS 3 TO 7 - ISSUE OF OPTIONS TO DIRECTORS

4.1 Background

Resolutions 3 to 7 seek Shareholder approval so that the Company may issue Options to Messrs Hannon, Cornelius, Maslin, Fogarty and Xue under the terms of the Employee Incentive Plan.

4.2 Chapter 2E of the Corporations Act - Related Party Transaction

The proposed issue of Options to Messrs Hannon, Cornelius, Maslin, Fogarty and Xue as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to the Resolutions.

(a) The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given

The related parties are Eamon Hannon (Resolution 3), Seamus Cornelius (Resolution 4), Anthony Maslin (Resolution 5), Stuart Fogarty (Resolution 6) and Feng (Frank) Xue (Resolution 7) or their nominees.

(b) The Nature of the Financial Benefit

The proposed financial benefit to be given is the issue of up to:

- (i) 1,500,000 Options to Eamon Hannon (or his nominee);
- (ii) 1,000,000 Options to Seamus Cornelius (or his nominee);
- (iii) 1,000,000 Options to Anthony Maslin (or his nominee);
- (iv) 1,000,000 Options to Stuart Fogarty (or his nominee); and
- (v) 1,000,000 Options to Feng (Frank) Xue (or his nominee).

The terms of the Options are set out in Annexure 1.

(c) Reasons and basis for giving the benefit and Directors Recommendation

The Board currently consists of Eamon Hannon, Seamus Cornelius, Anthony Maslin, Stuart Fogarty and Feng (Frank) Xue.

By the Resolutions the Directors will each receive Options.

The Directors have, and continue to be paid, what the Directors consider is less than their industry peers in order to direct the maximum funds towards creating value for all Shareholders. This is in line with the Company's general policy of non-cash based incentives in lieu of reduced wages.

The number of Options to be issued to each Director and the terms of the Options was negotiated by the Directors independent of that particular Director. The Options will be issued under the Employee Incentive Plan. The Board considers the number of the Options to be issued and their terms is appropriate in light of that Director's skill and experience and their remuneration as detailed below. The Options incentivise without a cash outlay by the Company.

The Board considers the issue of Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Eamon Hannon abstains from making a recommendation to Shareholders on Resolution 3 as he has a material personal interest in the outcome as the recipient of the Options.

Seamus Cornelius abstains from making a recommendation to Shareholders on Resolution 4 as he has a material personal interest in the outcome as the recipient of the Options.

Anthony Maslin abstains from making a recommendation to Shareholders on Resolution 5 as he has a material personal interest in the outcome as the recipient of the Options.

Stuart Fogarty abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Options.

Feng (Frank) Xue abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

(d) **Dilution**

The passing of the Resolutions would have the effect of issuing up to 5,500,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 5,500,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 4.04% based on the total number of Shares on issue at the date of this Notice being 136,055,432 Shares.

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Options are exercised.

(e) **Total Remuneration Package of Related Parties**

The remuneration received by Eamon Hannon is \$180,000 per annum as managing director including any superannuation.

The remuneration received by Seamus Cornelius is \$40,000 per annum as a Director's fee including any superannuation.

The remuneration received by Anthony Maslin is \$25,000 per annum plus superannuation.

The remuneration received by Stuart Fogarty is \$25,000 per annum as a Director's fee including superannuation.

Feng (Frank) Xue does not receive any remuneration.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Hannon, Cornelius, Maslin, Fogarty and Xue and their associates have the following relevant interest in securities of the Company.

	Shares	Unlisted Options exercise price 12 cents expiry date 30/11/19	Unlisted Options exercise price 15 cents expiry date 30/11/19	Unlisted Options exercise price 19 cents expiry date 30/06/21
Eamon Hannon	350,000	2,000,000	1,200,000	2,000,000
Seamus Cornelius	1,432,055	1,200,000	800,000	600,000
Anthony Maslin	791,197	1,200,000	800,000	600,000
Stuart Fogarty	0	0	0	600,000
Feng (Frank) Xue	0	0	800,000	600,000

(g) **Trading History**

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing Price
Highest Price	19 & 22 October 2018 & 29 November 2018	16 cents
Lowest Price	10 October 2019	8.8 cents
Latest Price	10 October 2019	8.8 cents

(h) **Valuation of Options**

The Options will not be quoted on ASX.

The Company has valued the Options to be granted to the Directors or their nominees using the Black-Scholes model.

The following assumptions have been made regarding the inputs required for the option valuation model:

Input		Note
Number of Options to related parties	5,500,000	
Underlying security spot price	8.8 cents	1
Exercise price	15 cents	
Dividend rate	0%	2
Volatility rate	93.7%	3
Risk free rate	2.1%	4
Expiry Date	30 November 2022	

- Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on 10 October 2019 which was 8.8 cents.
- Note 2 A dividend rate of 0% has been assumed as the Company has no history of dividends and is not expected to pay dividends over the life of the Options.
- Note 3 A volatility rate of 93.7% has been adopted. This rate has been calculated by reference to the volatility of the Company's Shares over the last 2 and 3 years up until 10 October 2019.
- Note 4 The risk free rate is 2.1% based on the 3 year Commonwealth Government bond rate at 10 October 2019.

No discount rate has been applied for the lack of marketability even though the Options will not be listed on ASX and are not transferable except with the written consent of the Board.

Based on the above assumptions the Options proposed to be issued to the Directors have been valued as follows:

Number and Value of Options	
	Options
Eamon Hannon	1,500,000 Options – 5.4 cents per Option (total value - \$81,000)
Seamus Cornelius	1,000,000 Options – 5.4 cents per Option (total value - \$54,000)
Anthony Maslin	1,000,000 Options – 5.4 cents per Option (total value - \$54,000)
Stuart Fogarty	1,000,000 Options – 5.4 cents per Option (total value - \$54,000)
Feng (Frank) Xue	1,000,000 Options – 5.4 cents per Option (total value - \$54,000)

(i) **Other Information**

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

4.3 Listing Rule 10.14

Listing Rule 10.11 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue securities to Directors under the Resolutions as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the securities to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Under the Resolutions, the Company seeks approval from Shareholders for the issue of Options to Messrs Hannon, Cornelius, Maslin, Fogarty and Xue as Directors who are each related parties of the Company.

For the purposes of Listing Rule 10.15, the following information is provided:

- (a) The Options will be issued to Eamon Hannon, Seamus Cornelius, Anthony Maslin, Stuart Fogarty and Feng (Frank) Xue as Directors.
- (b) The maximum number of Options that will be issued to the related parties is 5,500,000 Options.
- (c) No monetary consideration is payable for the issue of the Options.
- (d) Since the Employee Incentive Plan was last approved by Shareholders on 27 July 2018, the Directors and associates who have received securities under the Employee Incentive Plan are:
 - Eamon Hannon – 2,000,000 Options (exercise price 19 cents and expiry date 30 June 2021) for nil cash consideration;
 - Seamus Cornelius – 600,000 Options (exercise price 19 cents and expiry date 30 June 2021) for nil cash consideration;
 - Anthony Maslin – 600,000 Options (exercise price 19 cents and expiry date 30 June 2021) for nil cash consideration;
 - Stuart Fogarty – 600,000 Options (exercise price 19 cents and expiry date 30 June 2021) for nil cash consideration;
 - Feng (Frank) Xue – 600,000 Options (exercise price 19 cents and expiry date 30 June 2021) for nil cash consideration;
- (e) All the Directors (being Eamon Hannon, Seamus Cornelius, Anthony Maslin, Stuart Fogarty and Feng (Frank) Xue) are entitled to participate in the Employee Incentive Plan.
- (f) No loans will be provided to Directors in respect of the issue of the Options.
- (g) The Options will be issued no later than 12 months after the date of Shareholder approval.

5. RESOLUTION 8 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

5.1 General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("Additional Placement Capacity").

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

5.2 Requirements of Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

(b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Equity Securities that are quoted on ASX are fully paid ordinary Shares.

(d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;• plus the number of partly paid shares that became fully paid in the 12 months;• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;• less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(e) Interaction between Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 136,055,432 Shares on issue as at the date of this Notice. If the Resolutions the subject of this Notice are passed, the Company will be permitted to issue:

- 20,408,315 Equity Securities under Listing Rule 7.1; and
- 13,605,543 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

5.3 Information for Shareholders as required by Listing Rule 7.3A

(a) Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

(b) Risk of economic and voting dilution

If this Resolution is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro-rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		4.4 cents	8.8 cents	17.6 cents
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable "A" 136,055,432 Shares	10% Voting Dilution	13,605,543 Shares	13,605,543 Shares	13,605,543 Shares
	Funds raised	\$598,644	\$1,197,288	\$2,394,576
50% increase in current Variable "A" 204,083,148 Shares	10% Voting Dilution	20,408,315 Shares	20,408,315 Shares	20,408,315 Shares
	Funds raised	\$897,966	\$1,795,932	\$3,591,863
100% increase in current Variable "A" 272,110,864 Shares	10% Voting Dilution	27,211,086 Shares	27,211,086 Shares	27,211,086 Shares
	Funds raised	\$1,197,288	\$2,394,576	\$4,789,151

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is 8.8 cents, being the closing price of the Shares on ASX on 10 October 2018.
- The total number of Shares on issue at the date of this Notice is 136,055,432.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 22 November 2019 (the date of this Meeting) and expires on the earlier of:

- 22 November 2020, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking) (the "Placement Period").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), continued expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of new assets and investments or for the payment of goods and services or for the issue of Equity Securities associated with equity, debt or convertible security facilities that may be provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

The Company has previously received Shareholder approval for the Additional Placement Capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months preceding this Meeting is 20,608,315 Equity Securities. These Equity Securities represent 15.22% of the total number of Equity Securities on issue at 21 November 2018 of 135,447,117 (12 months before this Meeting).
- The details for the issue of Equity Securities issued during the 12 months preceding the date of the Meeting are set out below.

Date of issue:	6 December 2018
Number of Equity Securities:	20,408,315
Class of Equity Securities and Summary of terms:	Fully paid ordinary shares
Names of persons or basis on which allottees were determined:	Independence Group NL
Price at which securities issued:	20 cents
Discount (if any) to then market price:	No discount. Shares issued at a 35.2% premium to the then market price.
Total cash consideration received:	\$4,081,663
Amount of cash consideration spent:	Nil
Remaining cash to be spent:	\$4,081,663 remaining and intended to fund exploration activities on Company's projects and for general working capital.

Date of issue:	30 April 2019
Number of Equity Securities:	200,000
Class of Equity Securities and Summary of terms:	Unlisted Options (exercise price 15 cents, expiry date 29 November 2021)
Names of persons or basis on which allottees were determined:	Options issued to vendors of Alexander Creek Pty Ltd arising from the BUX/IGO partnership announced to the market on 29 November 2018.
Price at which securities issued:	The Options were issued for no cash consideration.
Non-cash consideration and the current value of the non-cash consideration:	Options issued to vendors of Alexander Creek Pty Ltd arising from the BUX/IGO partnership announced to the market on 29 November 2018. The current value of the options is 5.4 cents per Option in accordance with a Black and Scholes valuation.

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6. RESOLUTION 9 – ADOPTION OF NEW CONSTITUTION

6.1 Background

Resolution 7 is a special resolution proposing to replace the Existing Constitution in its entirety.

Section 136 of the Corporations Act allows a company to adopt a new constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the Resolution.

6.2 Reasons for the Resolution

The Existing Constitution was adopted by the Company in June 2007.

Since this time there have been a number of amendments to the Corporations Act, the Listing Rules and other applicable laws and rules which impact on the Company and for which provision has not adequately been made in the Existing Constitution. Additionally, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019. The New Constitution includes the terms of the proposed new Listing Rule 15.12. Thereby, the Company intends to seek to adopt the New Constitution to both update for best practice reasons (best practice) and to include the terms of the proposed new Listing Rule 15.12 (ASX modified escrow regime). Each of these reasons are expanded upon below.

Best Practice

The Company has conducted a review of the Existing Constitution with a view to making it consistent with current law and best market practice. The changes to be introduced affects numerous provisions in the Existing Constitution and therefore it is proposed that the New Constitution be adopted rather than amending the Existing Constitution.

The New Constitution reflects a public company constitution and is drafted in a modern, clear style. It is further appropriate for a company listed on ASX.

The New Constitution updates the definitions used to reflect the current terminology and where possible relies upon terms defined in the Corporations Act, the Listing Rules and ASX Settlement Operating Rules.

The New Constitution further includes provisions on proportional takeover bids. Separate information on the proportional takeover provisions and approval in this regard is set out below.

It is not practicable to list all of the changes to the Existing Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the New Constitution is available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting. Adoption of the New Constitution will provide consistency between the Company's constitution and the Listing Rules and the Corporations Act.

ASX modified escrow regime

In accordance with ASX's Public Consultation Paper of 28 November 2018 titled "*Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*", the ASX proposed a number of changes to the Listing Rules.

One efficiency measure the ASX proposed was to amend the Listing Rules to give effect to a modified escrow regime to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient.

ASX's modified escrow regime is to come into effect from 1 December 2019. A two-tiered escrow regime is to be introduced.

The first tier of escrow will involve ASX requiring certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of an ASX compliant restriction agreement (Appendix 9A). The expectation is a restriction agreement requirement will be imposed on related parties, promoters, substantial holders, service providers and their associates.

However, for less significant holders, a second tier will apply where ASX will instead allow listed entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to provide a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions. Securities in a class of quoted securities will be made the subject of a holding lock for the duration of the escrow period.

This two-tier escrow regime is to replace the current requirement where all holders of restricted securities must enter into a formal escrow agreement.

In order to provide a constitutional underpinning for ASX's modified escrow regime, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019.

The new Listing Rule 15.12 requires the constitution of listed entities to reflect the modified escrow regime. This includes the constitution expressly providing for securities to be the subject of a holding lock where they are in a class of quoted securities and further providing that the holder of restricted securities will not be entitled to participate in any return of capital during the escrow period.

Rule 2.11 of the New Constitution reflects the new Listing Rule 15.12 and is in the following terms:

"2.11 Restricted Securities

- (a) The Company must comply with the Listing Rules in respect of Restricted Securities.*
- (b) Notwithstanding the generality of Rule 2.11(a):*
 - (i) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
 - (ii) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those securities;*
 - (iii) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow*

period applicable to those securities except as permitted by the Listing Rules or ASX;

(iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and

(v) if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."

The new proposed rule provides the constitutional underpinning for ASX's modified escrow regime.

The changes to Listing Rule 15.12 (which are reflected in the above new rule) are proposed to take effect from 1 December 2019 and will apply to restricted securities after that date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

6.3 Adoption of proportional takeover provisions

A proportional takeover bid is where the bidder offers to buy a proportion only of each shareholder's shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder.

The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders in a general meeting approve the bid.

The New Constitution (as with the Existing Constitution) contains proportional takeover provisions.

Section 648G of the Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. The Company is seeking member approval to adopt proportional takeover provisions for the statutory period of 3 years after the date of approval. Information in relation to this approval is set out below.

Effect of the proposed provisions

The effect of the proposed provisions is that where offers have been made under an off market bid in respect of shares included in a class of shares in the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the off market bid is prohibited unless and until a resolution to approve an off market bid is passed by Shareholders.

If a proportional takeover bid is made, the Directors must ensure that Shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote. If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's New Constitution.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after the date of approval (for this Resolution, being 3 years from the date of this Meeting). The provisions may be renewed, but only by further Shareholder resolution.

Reasons for proportional takeover provisions

The Directors consider that proportional takeover approval provisions should be included in the New Constitution. Without the inclusion of such a provision, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proposed provisions deal with this possibility by providing that if a proportional takeover bid is made for Shares in the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

No knowledge of any acquisition proposals

As at the date on this Notice the Directors are not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders including the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

The Board of Directors considers that the potential advantages for Shareholders of adopting the proportional takeover approval provisions outweigh the potential disadvantages of not adopting the provisions.

6.4 **Board recommendation**

The Directors consider that the proposed proportional takeover provisions are in the interests of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

BUXTON RESOURCES LIMITED
ACN 125 049 550

GLOSSARY

In the Notice and this Explanatory Statement, the following expressions have the following meanings:

"Additional Placement Capacity" means the capacity to issue Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

"ASX" means the ASX Limited (ABN 98 008 624 691).

"ASX Listing Rules" or **"Listing Rules"** means the Listing Rules of the ASX.

"Board" means the Board of Directors of the Company.

"Business Day" has the same meaning as in the Listing Rules.

"Chairman" or **"Chair"** means the chairman of the Company.

"Company" or **"Buxton Resources"** means Buxton Resources Limited (ACN 125 049 550).

"Constitution" or **"Existing Constitution"** means the constitution of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Directors" means the directors of the Company from time to time.

"Employee Incentive Plan" means the Buxton Employee Incentive Plan last approved by Shareholders on 27 July 2018.

"Equity Securities" has the same meaning as in the Listing Rules.

"Explanatory Statement" means this Explanatory Statement.

"Meeting" or **"Annual General Meeting"** means the meeting convened by this Notice.

"New Constitution" means the constitution proposed to be adopted by Resolution 9.

"Notice" means the notice of meeting that accompanies this Explanatory Statement.

Option means an option to acquire a Share.

"Resolution" means a resolution referred to in the Notice.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a registered holder of a Share.

"WST" or **"Western Standard Time"** means Western Standard Time, Perth, Western Australia.

ANNEXURE 1 – TERMS OF OPTIONS
(Resolutions 3 to 7)

1. Each Option entitles the holder to subscribe for one (1) Share.
2. The Options are exercisable at any time prior to 5.00pm WST, 30 November 2022 ("**Expiry Date**") and any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price is 15 cents per Share.
4. The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
5. An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of options being exercised (**Exercise Notice**); and
 - (ii) a cheque or electronic funds transfer for the exercise price for the number of Options being exercised;
6. An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
7. Within 10 business days of receipt of the Exercise Notice accompanied by the exercise price, the Company will issue the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
8. The Options are not transferable except with the prior written consent of the Board of Directors of the Company.
9. All Shares issued upon the exercise of Options will upon issue rank equally in all respects with other Shares.
10. The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 business days after the date of issue of those Shares.
11. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
12. If the Company makes a pro rata issue (other than a bonus issue), the exercise price of the Options on issue will be changed in accordance with the formula prescribed in Listing Rule 6.22.2.
13. There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
14. If there is a bonus issue to the holders of Shares, then the number of Shares over which the option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

BUX
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

**Phone:**1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:30pm (WST)** **Wednesday, 22 November 2019**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.**A proxy need not be a securityholder of the Company.**

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999****SRN/HIN: I999999999****PIN: 99999**For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/we being a member/s of Buxton Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Buxton Resources Limited to be held at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia on Friday, 22 November 2019 at 4:30pm (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3, 4, 5, 6, and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3, 4, 5, 6, and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3, 4, 5, 6, and 7 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Anthony Maslin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Options to Eamon Hannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options to Seamus Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Options to Anthony Maslin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Options to Stuart Fogarty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Options to Feng (Frank) Xue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

