

THE INDEPENDENT EXPERT CONCLUDES THAT, IN THE ABSENCE OF AN ALTERNATIVE OFFER, THE TRANSACTIONS THE SUBJECT OF RESOLUTION 1 ARE FAIR AND REASONABLE TO THE NON-ASSOCIATED SHAREHOLDERS IN THE COMPANY.

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**BUXTON RESOURCES LIMITED**  
ACN 125 049 550

**NOTICE OF GENERAL MEETING**

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**TIME:** 10:00am (WST)  
**DATE:** 28 February 2020  
**PLACE:** Steve's Wine Cellar  
30 The Avenue  
Nedlands, Western Australia

*This Notice of Meeting, the Explanatory Statement and accompanying Independent Expert's Report 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.*

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**CONTENTS PAGE**

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Notice of General Meeting (setting out the Resolution)	1
Explanatory Statement (explaining the Resolution)	3
Glossary	14
Annexure 1 – Sale Vehicles and Equipment	16
Annexure 2 – Independent Expert's Report	18
Proxy Form	

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Meeting of Shareholders to which this Notice of Meeting relates to will be held at 10:00am (WST) 28 February 2020 at:

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

**YOUR VOTE IS IMPORTANT**

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

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed proxy form and return in accordance with the instructions on that form and so that it is received not later than 10:00am (WST) on 26 February 2020.

You may lodge the proxy form online by following the instructions on the proxy form.

**Proxy forms received later than 10:00am (WST) on 26 February 2020 will be invalid.**

**BUXTON RESOURCES LIMITED**  
**ACN 125 049 550**

**NOTICE OF GENERAL MEETING**

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Notice is hereby given that the General Meeting of the Shareholders of Buxton Resources Limited will be held at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia on 28 February 2020 at 10:00am (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 Resolution set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**RESOLUTION 1 – APPROVAL OF IGO TRANSACTIONS**

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 10.1 and for all other purposes, approval is given for the Company and its subsidiaries to enter into and perform its obligations under the IGO Transactions including the disposal of substantial assets to the IGO Parties or their subsidiaries on the terms 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 Independence Group NL, Independence Newsearch Pty Ltd and any other person who will obtain a material benefit as a result of the IGO Transactions (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Independent Expert's Report**

*Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert's Report considers the fairness and reasonableness of the IGO Transactions the subject of this Resolution to the Non-Associated Shareholders in the Company. The Independent Expert concludes that, in the absence of an alternative offer, the IGO Transactions the subject of this Resolution are fair and reasonable to the Non-Associated Shareholders in the Company.*

## **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. A voting exclusion applies as set out in the Resolution.
3. The chair of the Meeting will vote undirected proxies in favour of the Resolution.
4. 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 26 February 2020 at 4:00pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

**By order of the Board**



Sam Wright  
Company Secretary  
22 January 2020

**BUXTON RESOURCES LIMITED**  
**ACN 125 049 550**

**EXPLANATORY STATEMENT**

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

The Directors recommend that Shareholders read this Explanatory Statement (including the Independent Expert's Report) in full before making any decision in relation to the Resolution.

**RESOLUTION 1 - APPROVAL OF IGO TRANSACTIONS**

**1. Introduction**

The Meeting referred to in the Notice is being held so that Shareholders of BUX can consider the Resolution in accordance with Listing Rule 10.1.

The Resolution seeks approval for BUX and its subsidiaries to enter into and perform its obligations under the IGO Transactions including the disposal of substantial assets to the IGO Parties or their subsidiaries. The IGO Transactions involve the sale of various tenement interests, the sale of the Sale Vehicles and Equipment and a variation of the area of interest provisions in the West Kimberley Regional Project Agreement, amongst other things.

Under Listing Rule 10.1, an ASX listed entity is not permitted to dispose of a substantial asset to various parties, including a substantial holder of the entity, without shareholder approval.

Further details of the IGO Transactions the subject of the Resolution are set out below and in the Independent Expert's Report annexed to this Notice as Annexure 2.

**2. Existing arrangements between the IGO Parties and the BUX Parties**

**2.1 Subscription Agreement**

As announced on 29 November 2018, BUX, ACPL, IGO and INPL are parties to a subscription agreement dated 28 November 2018 (**Subscription Agreement**) under which IGO subscribed for 20,408,315 Shares (equating to a 15% interest in the Share capital of BUX) for a subscription price of 20 cents per Share representing a total subscription amount of \$4,081,663 (**Subscription Amount**).

In addition, under the Subscription Agreement, ACPL granted INPL a 24 month option to elect to enter into an earn-in and joint venture agreement pursuant to which INPL could earn a 70% interest in the Merlin Project Tenements by spending \$8,000,000 on exploration over a 4 year period.

As at the date of this Notice, INPL has not exercised the option to enter into the earn-in and joint venture agreement in respect of the Merlin Project Tenements.

It was also a condition of the Subscription Agreement that BUX would ensure that 80% of the Subscription Amount (equating to \$3,265,330) was spent on initial exploration programs on the Merlin Project Tenements (**Expenditure Obligation**).

As at 1 August 2019, BUX had spent \$297,468 on initial exploration programs on the Merlin Project Tenements, which means BUX would be required to incur a further \$2,967,862 on initial exploration programs to satisfy the Expenditure Obligation.

## 2.2 **West Kimberley Regional Project Agreement**

As also announced on 29 November 2018, INPL, BUX and ACPL are parties to a regional earn-in and joint venture agreement dated 28 November 2018 in respect of a number of tenements in the West Kimberley region (**West Kimberley Regional Project Agreement**). Under the West Kimberley Regional Project Agreement, INPL can earn an 80% interest in a number of exploration licences by spending \$3 million on exploration expenditure within 4 years.

If INPL satisfies this earn-in obligation and earns an 80% interest in the relevant tenements, INPL, BUX and ACPL will form an 80/20 joint venture under which BUX and ACPL's collective 20% joint venture interest will be free carried by INPL until completion of a feasibility study. Upon completion of a feasibility study, the joint venture parties will be liable to contribute to joint venture expenditure in proportion to their respective joint venture interests.

## 3. **Details of IGO Transactions**

### 3.1 **Interdependent Transactions**

As announced on 2 October 2019, the BUX Parties and IGO Parties have entered into transaction documents for 3 interdependent transactions, being the Merlin Project Transaction, the NWC Project Transaction (or Quickshears Project) and the West Kimberley Regional Project Variation (together, the **IGO Transactions**), which are each detailed below. Completion is intended to occur simultaneously under each of the transactions.

### 3.2 **Merlin Project Transaction**

On 1 October 2019 IGO, INPL, ACPL and BUX entered into an acquisition and joint venture agreement for the Merlin Project by which ACPL, as the registered holder of the Merlin Project Tenements, agrees:

- (a) to sell, and INPL agrees to buy, a 51% interest in the Merlin Project Tenements; and
- (b) to grant to INPL, and INPL agrees to take, a perpetual royalty free licence in respect of all mining information held by ACPL in relation to the Merlin Project Tenements.

The consideration to be provided by INPL for the purchase of a 51% interest in the Merlin Project Tenements is IGO waiving BUX's obligation to spend the remaining \$2,967,862 required to be incurred to satisfy the Expenditure Obligation on initial exploration programs on the Merlin Project Tenements under the Subscription Agreement. INPL also agrees to reimburse BUX for expenditure it incurs on the Merlin Project Tenements after 1 August 2019.

Completion of the Merlin Project Transaction will have the effect of terminating the option to enter into an earn-in and joint venture agreement in respect of the Merlin Project Tenements granted by ACPL to INPL under the Subscription Agreement.

The conditions precedent that must be satisfied or waived prior to 1 March 2020 or such other date as may be agreed to enable completion of the Merlin Project Transaction relevantly include:

- (a) BUX obtaining all necessary shareholder approval, including the approval of its Shareholders under Listing Rule 10.1 for the disposal of substantial assets under the IGO Transactions (which BUX is seeking by this Notice);
- (b) ACPL obtaining the consent of the ACPL vendors (being the persons who originally sold all of the issued capital of ACPL to BUX) and the relevant parties executing a deed of covenant. The ACPL vendors currently have the benefit of a 3% net profit royalty granted by ACPL in respect of the Merlin Project Tenements and need to provide their consent to the Merlin Project Transaction (this has been satisfied); and

- (c) All the conditions precedent to the NWC Project Transaction being satisfied or waived, other than any condition that relates to the obligations of the parties under the Merlin Project Transaction.

Upon INPL acquiring a 51% interest in the Merlin Project Tenements, there will be a 51/49 joint venture formed between INPL and ACPL. INPL will also have the right to sole fund \$5,000,000 on joint venture operations over 4 years to earn a further 29% joint venture interest (to take its joint venture interest to 80%).

If INPL elects to earn the further 29% interest in the Merlin Project Tenements and satisfies the relevant expenditure requirement, ACPL's 20% joint venture interest will be free carried until completion of a feasibility study. Upon completion of the feasibility study, the joint venture parties will be liable to contribute to joint venture expenditure in proportion to their respective joint venture interests.

INPL will be the initial manager of the joint venture.

An operating committee will be formed where the parties will vote in accordance with their percentage interest in the joint venture.

The terms of the joint venture are in standard style terms and subsequent changes in joint venture interests may be effected by:

- (a) dilution by a failure to contribute to joint venture expenditure (once it is a contributing joint venture);
- (b) if a party dilutes to less than a 10% joint venture interest, their interest is converted to a 1% net smelter royalty;
- (c) a buy-out mechanism in respect of a defaulting joint venturer; and
- (d) a failure to contribute upon a decision to mine may lead to a buy/sell transaction at fair market value.

### 3.3 ***NWC Project Transaction (or Quickshears Project)***

The NWC Project Tenements consist of the Fissure Tenement (in which BUX has a 100% beneficial interest as at the date of this Notice) and the TT Tenements (in which BUX has an 80% beneficial interest as at the date of this Notice).

BUX acquired its beneficial interest in the NWC Project Tenements from New World Cobalt Limited (ASX:NWC) as announced to the ASX on 6 November 2018. New World Cobalt Limited had acquired its beneficial interest in the NWC Project Tenements from Tatterson.

As at the date of this Notice, Fissure is the registered holder of the Fissure Tenement.

As at the date of this Notice, Tatterson is the registered holder of the TT Tenements. The beneficial interests in the TT Tenements are currently held by BUX as to 80% and Tatterson as to 20%.

On 1 October 2019 BUX, INPL and IGO entered into an acquisition and joint venture agreement for the NWC Project (**NWC Agreement**). By this transaction, BUX is selling:

- (a) 80% of its interest in the NWC Project Tenements to INPL for \$1,000,000 cash at completion with 3 further cash payments of \$500,000 as deferred payments upon satisfaction of milestones as set out below (being total deferred payments of up to \$1,500,000); and

- (b) 100% of its interest in the Sale Vehicles and Equipment to INPL for \$275,000 cash at completion.

Under the NWC Agreement, BUX also grants to INPL a perpetual royalty free licence in respect of all mining information held by BUX in relation to the NWC Project Tenements.

The conditions precedent that must be satisfied or waived prior to 1 March 2020 or such other date as may be agreed to enable completion under the NWC Agreement relevantly include:

- (a) BUX obtaining all necessary shareholder approval, including the approval of its Shareholders under Listing Rule 10.1 for the disposal of substantial assets under the IGO Transactions, (which BUX is seeking by this Notice);
- (b) parties with interests in the TT Tenements, including Tatterson, executing a deed of consent, assignment, assumption and variation; and
- (c) all the conditions precedent to the Merlin Project Transaction being satisfied or waived, other than any condition that relates to the obligations of the parties under the NWC Project Transaction.

The 3 deferred payment milestones in respect of the sale of 80% of BUX's interest in the NWC Project Tenements are:

- (a) the first time IGO or its subsidiaries identifies that it has intersected in drilling on the NWC Project Tenements, on a grade-thickness basis,  $\geq 20\%m$  Ni equivalent provided the grade of the mineralisation intersected is  $\geq 1.5\%$  Ni equivalent (e.g.  $\geq 10m @ 2.0\%$  Ni, or  $\geq 13.33m @ 1.5\%Ni$ ). Ni equivalent is to be based on the spot price for the relevant metal as published by the London Metals Exchange (**LME**) on the date of the relevant calculation;
- (b) the first time IGO or its subsidiaries identifies a JORC compliant resource (inferred, indicated and/or measured; of any size and/or grade; for any commodity) within the NWC Project Tenements; and
- (c) the first time IGO or its subsidiaries identifies a JORC compliant resource that exceeds 15,000 tonnes of contained nickel equivalent within the NWC Project Tenements. Contained nickel equivalent is to be calculated based on the spot price for the relevant metal as published by the LME on the date of the relevant calculation.

The total cash consideration which BUX is to receive by reason of the NWC Project Transaction is up to \$2,775,000 (being up to \$2,500,000 for the sale of 80% of its interest in the NWC Project Tenements and \$275,000 cash for the sale of the Sale Vehicles and Equipment).

On completion, the interests in the Fissure Tenement will be BUX – 20% and INPL – 80%.

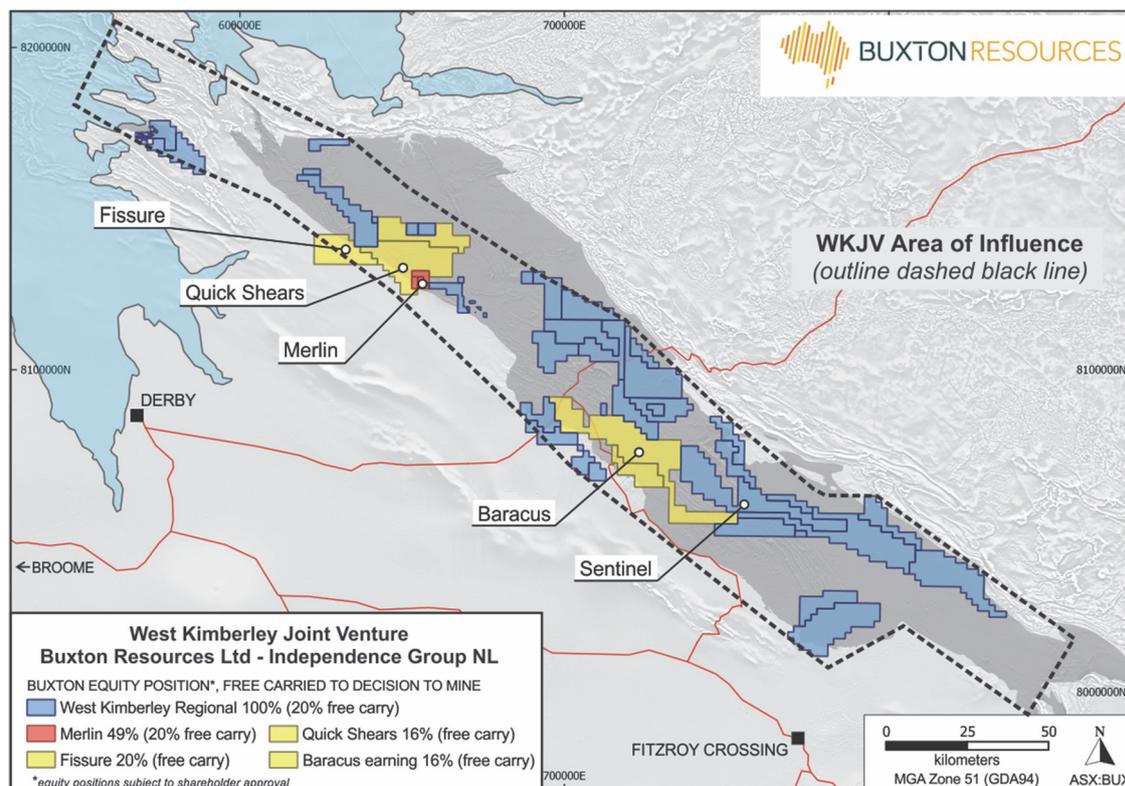
On completion, the interests in the TT Tenements will be Tatterson – 20%, BUX – 16% and INPL – 64%.

Upon completion, a joint venture will be formed in respect of the Fissure Tenement with INPL as manager. The initial joint venture will continue until the joint venture is formed under the West Kimberley Regional Project Agreement, at which time the Fissure Tenement will be brought into that joint venture. The terms of the joint venture under the West Kimberley Regional Project Agreement provides that INPL will sole fund (and BUX and ACPL's collective 20% joint venture interest will be free carried) until completion of a feasibility study. An operating committee will be formed where the parties will vote in accordance with their percentage interest in the joint venture. Upon completion of a feasibility study, the joint venture parties will be liable to contribute to joint venture expenditure in proportion to their respective joint venture interests.

Upon completion, INPL will become a party to the existing joint venture between BUX and Tatterson in respect of the TT Tenements. After joining the joint venture, INPL will become the manager. BUX will be free carried until completion of a feasibility study and Tatterson will be free carried until a decision to mine.

### 3.4 West Kimberley Variation

The West Kimberley Regional Project Agreement contains an 'area of interest' clause, which applies to the area set out below (AOI):



The area of interest clause provides that where either party acquires any interest (or contemplates the acquisition of any interest) in any mining licence or other land tenure within the AOI, such interest must be offered to the other party on reasonable commercial terms negotiated in good faith on a case by case basis and in proportion to the parties' rights and interests in the tenements the subject of the West Kimberley Regional Project Agreement.

Pursuant to the West Kimberley Regional Project Variation, INPL, BUX and ACPL have agreed, subject to completion occurring under the NWC Project Transaction, to vary the terms of the area of interest clause in the West Kimberley Regional Project Agreement. The variation replaces the existing area of interest clause with a new clause which provides that:

- (a) The BUX Parties and their associates will not, for a period of 4 years from 1 August 2019, apply for or acquire, either directly or indirectly, any mining tenements falling wholly or partly within the AOI; and
- (b) for a period of 4 years from 1 August 2019, where INPL or its associate acquires an interest in any mining tenement within the AOI, it will grant to BUX:
  - (i) where INPL or its associate holds the interest in the tenement with a third party, a 0.25% net smelter return royalty on INPL's interest in the relevant tenement; or
  - (ii) where INPL or its associate holds 100% of the tenement, a 0.5% net smelter return royalty.

These rights have been considered by the Independent Expert in forming its valuation of the IGO Transactions. There is no guarantee that INPL will acquire any interest in a tenement within the AOI, which would result in the grant of a royalty to the BUX Parties, during the term of the area of interest clause (being 4 years from 1 August 2019).

#### 4. Current relationship with IGO Parties

IGO is a substantial holder of BUX because it currently holds 20,408,315 Shares in BUX, which represents 15% of the Shares on issue.

In addition to the Subscription Agreement and the West Kimberley Regional Project Agreement, the IGO Parties and the BUX Parties are contractual parties in respect of the following:

- (a) Baracus Earn-in Agreement; and
- (b) Fraser Range Project Joint Venture.

As announced on 9 July 2019, BUX, INPL and Baracus Pty Ltd entered into an earn-in agreement (**Baracus Agreement**) under which INPL and BUX can earn an 80% interest in 2 exploration licences held by Baracus by INPL sole funding \$550,000 on exploration within 2 years. INPL and BUX will hold their respective interests in the 2 exploration licences in accordance with their respective interests in the joint venture the subject of the West Kimberley Regional Project Agreement.

As announced on 24 August 2016, BUX sold a 90% interest in 2 tenements in the Fraser Range to INPL and BUX retained the exclusive right to explore and develop iron ore located on those tenements. The Fraser Range Project Joint Venture between BUX and INPL is in respect of all commodities other than iron ore with the joint venture interests being INPL 90% and BUX 10%. BUX is free carried until a decision to mine.

The Baracus Agreement and the Fraser Range Project Joint Venture are not affected by the IGO Transactions.

#### 5. Listing Rule 10.1 regulatory requirements

##### 5.1 **Summary of Listing Rule 10.1 and what will happen if Shareholders give, or do not give, the approval sought**

Listing Rule 10 deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity.

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a "*substantial asset*" from, or dispose of a substantial asset to, any of the following persons without the approval of holders the entity's ordinary securities:

- (a) a related party;
- (b) a subsidiary;
- (c) a "*substantial holder*", if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities;
- (d) an associate of a person referred to in (a) to (c) above; or
- (e) a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.

It is a condition precedent to each of the Merlin Project Transaction and the NWC Project Transaction that Shareholders approve the transactions. If Shareholders approve the IGO Transactions, the BUX Parties intend to complete the IGO Transactions.

If Shareholders do not approve the IGO Transactions, the IGO Transactions will not complete. The BUX Parties will retain their existing interest in the assets the subject of the IGO Transactions. In this case:

- (a) the Merlin Project Tenements will remain the subject of the arrangements under the Subscription Agreement, as announced to ASX on 29 November 2018, and BUX will be required to continue to comply with the Expenditure Obligation;
- (b) BUX will retain all of its interest in the NWC Project Tenements; and
- (c) the area of interest clause in the West Kimberley Regional Project Agreement will not be varied.

## 5.2 ***The person to whom BUX is disposing of the substantial assets***

BUX is disposing of the substantial assets under the IGO Transactions to INPL, a subsidiary of IGO.

## 5.3 ***The category in Listing Rule 10.1 that the person falls within and why***

As noted in Section 3 above, IGO is a substantial holder of BUX under Listing Rule 10.1.3 because it has a relevant interest in more than 10% of the voting securities in BUX. INPL, as a wholly owned subsidiary of IGO, is an associate of IGO under Listing Rule 10.1.4.

## 5.4 ***Details of the substantial assets being disposed of***

Under Listing Rule 10.2, an asset is "*substantial*" if its value, or the value of the consideration for it is, or in the ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The equity interests of BUX as defined by the Listing Rules and as set out in the latest accounts given to ASX under the Listing Rules (being for the year ended 30 June 2019) are \$5,654,982. 5% of this figure is \$282,749 which is the consideration value threshold for a substantial asset.

The substantial assets being disposed of by BUX and ACPL in the IGO Transactions are:

- (a) the sale of a 51% interest in the Merlin Project Tenements under the Merlin Project Transaction (including the grant of a licence over the related mining information);
- (b) the transfer of a further 29% interest in the Merlin Project Tenements to INPL if INPL sole funds \$5 million of joint venture expenditure on the Merlin Project Tenements within 4 years;
- (c) the sale by BUX of 80% of its interests in the NWC Project Tenements under the NWC Project Transaction (including the grant of a licence over the related mining information);
- (d) the sale by BUX of 100% of the Sale Vehicles and Equipment under the NWC Project Transaction; and
- (e) the variation of rights under the West Kimberley Regional Project Variation,

including all other rights or interests disposed of under the IGO Transactions as set out in Sections 3.2, 3.3 and 3.4 of this Explanatory Statement.

## 5.5 ***The consideration for the disposal***

As noted above, under the Merlin Project Transaction, the BUX Parties are disposing of a 51% interest in the Merlin Project Tenements (including the grant of a licence over the related mining information) and possibly a further 29% interest in the Merlin Project Tenements if INPL sole funds \$5 million of joint venture expenditure on the Merlin Project Tenements within 4 years. The consideration under the Merlin Project Transaction is INPL waiving BUX's obligation to spend 80% of the subscription moneys (being the sum of \$2,967,862) on the Merlin Project Tenements and INPL reimbursing BUX for all expenditure incurred on the Merlin Project Tenements after 1 August 2019. BUX until 1 August 2019 has spent approximately \$297,000 of the subscription moneys on the Merlin Project Tenements.

As noted above, under the NWC Project Transaction, BUX is disposing of 80% of its interest in the NWC Project Tenements (including the grant of a licence over the related mining information) and 100% of the Sales Vehicles and Equipment. The consideration under the NWC Project Transaction is the payment of \$1,275,000 on completion and 3 further \$500,000 deferred cash payments to be paid on the satisfaction of relevant milestones as set out in Section 2.3. Thereby, the consideration is up to a sum of \$2,775,000.

As noted above, under the West Kimberley Project Variation Transaction, the BUX Parties agree that for a period of 4 years from 1 August 2019, neither they (nor their associates) will apply for or acquire an interest (directly or indirectly) in any mining tenements within the AOI. The consideration under the West Kimberley Project Variation Transaction is INPL agreeing that, for a period of 4 years from 1 August 2019, where INPL or its associate applies for or acquires an interest in any mining tenements falling wholly or partly within the AOI, then INPL will grant to BUX the following royalty:

- (a) where INPL holds the interest in the tenement with a third party, a 0.25% net smelter return royalty on INPL's interest in the relevant tenement; or
- (b) where INPL holds 100% of the tenement, a 0.5% net smelter return royalty.

## 5.6 ***Intended use of funds received for the disposal***

The consideration under the Merlin Project Transaction is a waiver of BUX's requirement to spend \$2,967,862 (being 80% of the Subscription Amount) on exploration programs on the Merlin Project Tenements.

At completion under the NWC Project Transaction, the BUX Parties will receive \$1,275,000 cash. Further, there are 3 possible deferred payments of \$500,000 each totalling up to \$1,500,000 cash.

BUX intends to use the retained sum of \$2,967,862 from the Merlin Projection Transaction and the initial \$1,275,000 received from the NWC Project Transaction to fund its existing projects (upon which the BUX Parties are free carried at this point), assess complementary resource projects, provide for working capital and to pay the costs of the IGO Transactions.

BUX intends to look to assess and consider the acquisition of further resource projects that may complement the existing projects of the Company and add value for Shareholders.

## 5.7 ***The timetable for completing the disposal***

The conditions precedent to each of the Merlin Project Transaction and the NWC Project Transaction are set out in Section 3. One of these conditions precedent is the approval by Shareholders to the IGO Transactions by this Notice.

If Shareholders approve the IGO Transactions at the Meeting, BUX expects to complete the IGO Transactions approximately 5 Business Days after Shareholder approval as set out in the

Indicative Timetable below. Shareholders should note that completion of the IGO Transactions is subject to the satisfaction or waiver of a number of conditions precedent. As such, there is no guarantee that the IGO Transaction will complete within the expected timeframe, or at all.

Indicative Timetable

Event	Date
Meeting of Shareholders to approve Resolution by this Notice.	28 February 2020
Completion of IGO Transactions (within 5 Business Days after all conditions precedent are satisfied or waived).	4 March 2020

**5.8 *Summary of the material terms of the agreements for the IGO Transactions***

A summary of the material terms of each of the Merlin Project Transaction agreement and the NWC Project Transaction agreement is set out in Section 3.

**5.9 *Voting exclusion statement***

Some Shareholders are not permitted to vote in favour of the Resolution set out in the accompanying Notice. Please refer to the voting exclusion statement in the Notice.

**5.10 *Independent Expert's Report***

Under Listing Rule 10.10.2, Shareholders must be given a report from an independent expert. The report must state the expert's opinion as to whether the transaction under consideration is fair and reasonable to Shareholders whose votes are not to be disregarded. BUX has appointed BDO Corporate Finance (WA) Pty Ltd as the Independent Expert. The Independent Expert has prepared an Independent Expert's Report which is annexed as Annexure 2.

The Independent Expert concludes that, in the absence of an alternative offer, the IGO Transactions are fair and reasonable to Non-Associated Shareholders.

The Independent Expert, in summary, considers the advantages and disadvantages of the IGO Transactions to be as follows:

Advantages to IGO Transactions

- (a) The IGO Transactions are fair.
- (b) The IGO Transactions reduce BUX's exploration costs.
- (c) Partnering with IGO may mitigate exploration risks.
- (d) The IGO Transactions further align IGO's interests with BUX's Shareholders.
- (e) The Independent Expert's fairness assessment ascribes no value to the net smelter royalty and deferred cash consideration components of the IGO Transactions, which provides potential upside for Shareholders.

Disadvantages to IGO Transactions

- (a) The presence of a substantial shareholder with various interests in BUX may reduce its attractiveness to other parties.
- (b) The IGO Transactions diminish Shareholders' exposure to BUX's exploration assets.

Shareholders are urged to consider the Independent Expert's Report in detail.

## 5.11 *Other information*

Set out below is a pro-forma consolidated statement of financial position for BUX as at 30 June 2019 detailing the effect of the completion of the IGO Transactions on the statement of financial position.

### Statement of Financial Position

	Audited 30 June 2019	Pro-forma 30 June 2019
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,601,342	5,876,342
Trade and other receivables	73,131	73,131
Other financial assets	128,000	128,000
Other current assets	20,564	20,564
<b>TOTAL CURRENT ASSETS</b>	<u>4,823,037</u>	<u>6,098,037</u>
<b>NON-CURRENT ASSETS</b>		
Exploration assets	855,195	573,367
Plant and equipment	101,188	11,704
<b>TOTAL NON-CURRENT ASSETS</b>	<u>956,383</u>	<u>585,071</u>
<b>TOTAL ASSETS</b>	<u>5,779,420</u>	<u>6,683,108</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	124,438	124,438
<b>TOTAL CURRENT LIABILITIES</b>	<u>124,438</u>	<u>124,438</u>
<b>TOTAL LIABILITIES</b>	<u>124,438</u>	<u>124,438</u>
<b>NET ASSETS</b>	<u>5,654,982</u>	<u>6,558,670</u>
<b>EQUITY</b>		
Issued capital	24,234,892	24,234,892
Reserves	1,460,375	1,460,375
Accumulated losses	(20,040,285)	(19,136,597)
<b>TOTAL EQUITY</b>	<u>5,654,982</u>	<u>6,558,670</u>

The pro-forma statement of financial positions reflects:

- (a) at completion of the NWC Project Transaction, the sale of 80% of BUX's interests in the NWC Project Tenements for \$1,000,000 and the sale of 100% of the Sale Vehicles and Equipment for \$275,000 (a total receipt of \$1,275,000 cash). "Cash" increases by \$1,275,000, "exploration assets" decreases by \$154,666 and "plant and equipment" decreases by \$89,484;
- (b) the sale of a 51% interest in the Merlin Project Tenements reduces the "exploration assets" by \$127,162; and
- (c) the variation of rights under the Kimberley Regional Projection Variation will have no effect on the balance sheet.

## 5.12 ***Recommendation***

Having regard to the conclusions reached by the Independent Expert on the IGO Transactions, the Directors recommend Shareholders vote in favour of the Resolution set out in the Notice.

**BUXTON RESOURCES LIMITED**

**ACN 125 049 550**

**GLOSSARY**

---

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

"**ACPL**" means Alexander Creek Pty Ltd (ACN 166 909 182), a wholly owned subsidiary of BUX.

"**AOI**" has the meaning given in Section 3.4 of the Explanatory Statement.

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

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

"**Baracus Agreement**" has the meaning given in Section 4 of the Explanatory Statement.

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

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

"**BUX Parties**" means together BUX and ACPL.

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

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

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

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

"**Explanatory Statement**" means this Explanatory Statement.

"**Expenditure Obligation**" has the meaning given in Section 2.1 of the Explanatory Statement.

"**Fissure**" means Fissure Exploration Pty Ltd (ACN 111 784 439).

"**Fissure Tenement**" means exploration licence E04/2423.

"**IGO**" means Independence Group NL (ACN 092 786 304).

"**IGO Parties**" means together IGO and INPL.

"**IGO Transactions**" means together the Merlin Project Transaction, the NWC Project Transaction and the West Kimberley Regional Project Variation.

"**Independent Expert**" means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045) (AFS Licence No. 316158).

"**Independent Expert's Report**" means the independent expert's report prepared by the Independent Expert which is annexed to this Notice as Annexure 2.

"**INPL**" means Independence Newsearch Pty Ltd (ACN 142 192 701), a wholly owned subsidiary of IGO.

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

"**Merlin Project Tenements**" means exploration licences E04/1533, E04/2026 and E04/2142.

**"Merlin Project Transaction"** means the transaction between the IGO Parties and the BUX Parties in respect of the Merlin Project Tenements described in Section 3.2 of the Explanatory Statement, which includes the sale by ACPL to INPL of a 51% interest in the Merlin Project Tenements and the formation of a joint venture and the subsequent disposal of a further 29% interest in the Merlin Project Tenements if and when INPL satisfies the further earn-in obligations.

**"Non-Associated Shareholders"** means Shareholders of the Company not associated with the IGO Parties.

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

**"NWC Agreement"** has the meaning given in Section 3.3 of the Explanatory Statement.

**"NWC Project Tenements"** means the Fissure Tenement and the TT Tenements.

**"NWC Project Transaction"** means the transaction between the IGO Parties and BUX in respect of the NWC Project Tenements described in Section 3.3 of the Explanatory Statement, including the sale by BUX to INPL of 80% of BUX's interest in the NWC Project Tenements and the formation of a joint venture and the sale by BUX to INPL of 100% of the Sale Vehicles and Equipment.

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

**"Sale Vehicles and Equipment"** means the vehicles and equipment listed in Annexure 1.

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

**"Shareholder"** means a registered holder of a Share.

**"Subscription Agreement"** has the meaning given in Section 2.1 of the Explanatory Statement.

**"Subscription Amount"** has the meaning given in Section 2.1 of the Explanatory Statement.

**"Tatterson"** means Timothy Tatterson.

**"TT Tenements"** means exploration licences E04/1972 and E04/2314.

**"West Kimberley Regional Project Agreement"** has the meaning given in Section 2.2 of the Explanatory Statement.

**"West Kimberley Regional Project Variation"** means the variation to the area of interest provisions in the West Kimberley Regional Project Agreement to be made between INPL, BUX and ACPL described in Section 3.4 of the Explanatory Statement.

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

**"\$"** means Australian dollars.

## ANNEXURE 1 – SALE VEHICLES AND EQUIPMENT

### Item

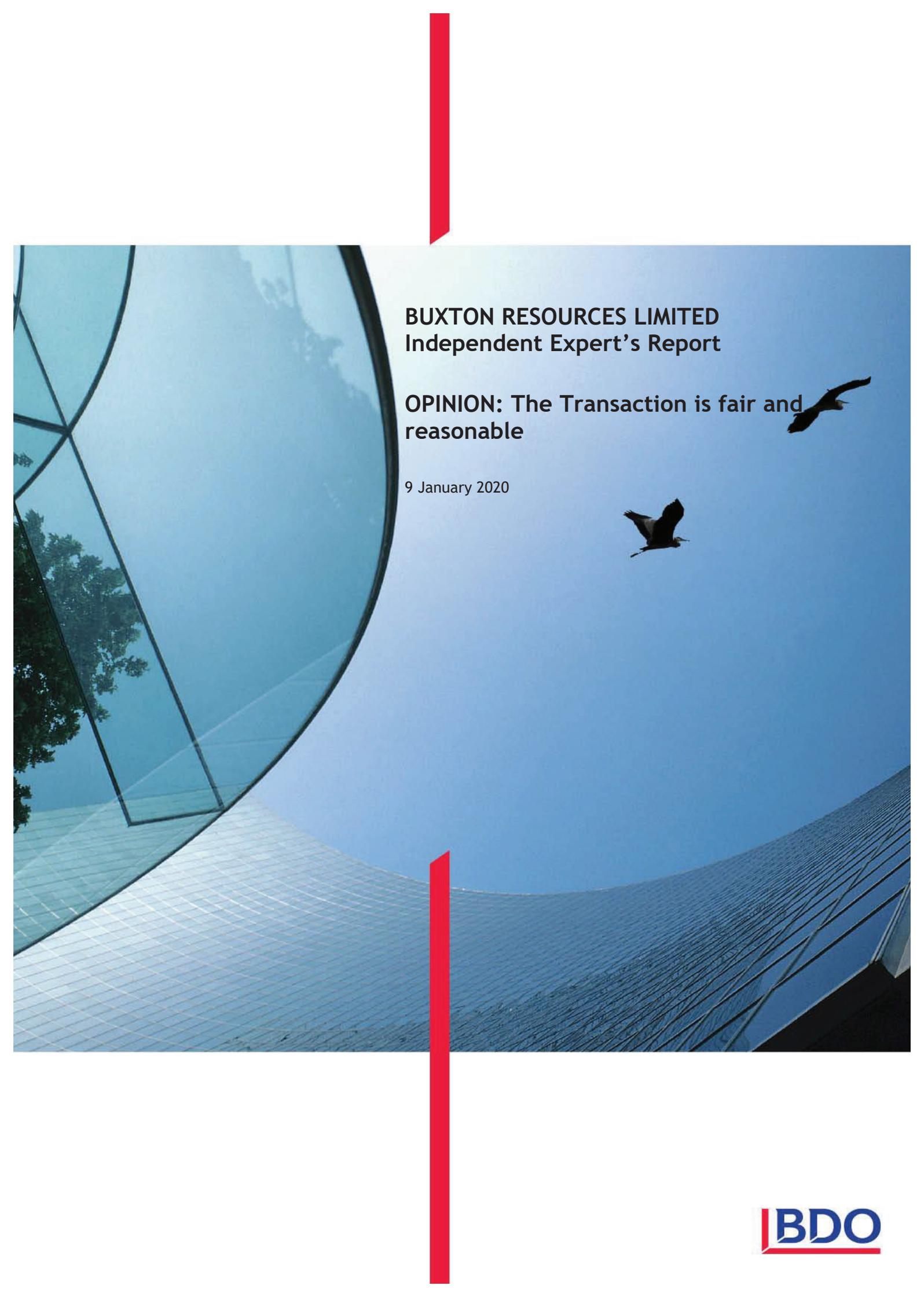
1 x 2017 Toyota Landcruiser  
1 x 2010 Toyota Landcruiser  
1 x Caravan  
1 x 2013 Honda Quad Bike  
1 x 2019 Honda Quad Bike  
1 x Custom Trailer  
1 x Wandering Star Trailer  
1 x Orion Satellite Comms Box  
1 x MicroMine  
1 x EOS 80D Digital Camera  
1 x Mavic Pro Drone  
1 x Kubota Generator  
2 x Honda Generators  
1 x Submersible Pump  
2 x 20 foot Sea Containers  
1 x Dome Shelter  
1 x Fire Fighting Gear  
3 x Pressure Pumps  
3 x Water Pods  
2 x Portable Air Conditioners  
1 x Stihl Chainsaw  
1 x Stihl Whipper Snipper  
1 x Stihl Collar Cutter  
Collar Plugs  
40mm PVC  
1 x Core Saw  
Assorted Office Gear  
Assorted First Aid Gear  
1 x Electrical Device Tester  
1 x Field Server (NAS)  
1 x Projector  
3 x Safety Travel Boxes  
1 x Microscope  
Assorted Electrical Gear  
Assorted Cooking and Eating Gear  
Assorted Hand Tools  
2 x Cordless Tools  
2 x Welders  
1 x Workshop Air Compressor 240V  
2 x Metal Strapping Tools  
Jerry Cans  
Drums  
2 x Core Racks  
2 x Ori Racks

3 x Chest Freezers  
1 x Fridge-Freezer  
4 x Engels  
Assorted Eskies  
2 x Washing Machines  
Camping Gear  
2 x Motorola Two Way Handheld Radios  
1 x Two Way Radio for Caravan  
4 x Shelving  
Assorted Exploration Consumables  
Diamond Drilling Consumables  
1 x Drilling Field Gear Box  
1 x Surface Sampling Field Gear Box  
3 x Vehicle Recovery Boxes  
5 x Swags  
8 x Stretchers  
Assorted Tie Down Straps and Nets  
4 x Quad Bike Tyres  
3 x Landcruiser Spare Wheels  
Various furniture  
2 x Whiteboards  
3 x Drum Pumps  
Hoses and Fittings  
Various Oils  
1 x Small RC Splitter  
Assorted Safety Gear  
3 x Motorbike Helmets  
1 x Dip Meter  
4 x Tents  
1 x Stihl Blower  
1 x Precision Balance Scale  
1 x Battery Charger  
5 x Assorted Backpacks  
Assorted Fishing Gear  
1 x Petrol Auger  
Gas Bottles  
1 x Shade Pergola  
Star Pickets  
130 x Diesel  
35 x Petrol  
12 x Spray Paint  
Barbed Wire  
9 x Green Chairs  
2 x Spill Kits  
1 x Pool Scoop

**ANNEXURE 2 – INDEPENDENT EXPERT'S REPORT**

**(Resolution 1)**

**Report by BDO Corporate Finance (WA) Pty Ltd  
in relation to the IGO Transactions**



**BUXTON RESOURCES LIMITED**  
**Independent Expert's Report**

**OPINION: The Transaction is fair and reasonable**

9 January 2020



## Financial Services Guide

9 January 2020

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Buxton Resources Limited ('Buxton') to provide an independent expert's report on the proposal to enter three interdependent agreements with Independence Group NL ('IGO'). You are being provided with a copy of our report because you are a shareholder of Buxton and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Buxton to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

## **Fees, commissions and other benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$30,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Buxton.

## **Other Assignments**

BDO Audit (WA) Pty Ltd is the appointed auditor of IGO. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

BDO Audit (WA) Pty Ltd is the auditor of IGO and over the past two years has provided audit related services for total fees of approximately \$372,000. BDO Advisory (WA) Pty Ltd has provided cyber security services to IGO for total fees of approximately \$5,000. BDO Corporate Tax (WA) Pty Ltd has provided tax advisory services in relation to IGO's employee share scheme for total fees of approximately \$10,000.

## **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Buxton for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

## **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## **Complaints resolution**

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

## Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website [www.afca.org.au](http://www.afca.org.au) or by contacting it directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
AFCA Free call: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

You may contact us using the details set out on page 1 of the accompanying report.

## TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	2
3.	Scope of the Report	4
4.	Profile of Buxton	6
5.	Profile of IGO	11
6.	Outline of the Transaction	11
7.	Economic analysis	14
8.	Industry analysis	15
9.	Valuation approach adopted	20
10.	Valuation of the assets being disposed	21
11.	Valuation of consideration	22
12.	Is the Transaction fair?	23
13.	Is the Transaction reasonable?	25
14.	Conclusion	27
15.	Sources of information	27
16.	Independence	27
17.	Qualifications	28
18.	Disclaimers and consents	29

Appendix 1 - Glossary and copyright notice

Appendix 2 - Independent Valuation Report prepared by Valuation Resource Management Pty Ltd

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38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

9 January 2020

Independent Directors  
Buxton Resources Limited  
Suite 1, First Floor  
14 - 16 Rowland Street  
Subiaco WA 6008

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 2 October 2019, Buxton Resources Limited ('Buxton' or 'the Company') announced it had entered into three interdependent agreements with Independence Newsearch Pty Ltd ('INPL'), a wholly owned subsidiary of Independence Group NL ('IGO').

One of the agreements relates to the Company's Merlin Project tenements held by the Company's wholly owned subsidiary Alexander Creek Pty Ltd ('ACPL') ('the Merlin Project Tenements') under which ACPL has agreed to sell a 51% interest in the tenements to INPL. The consideration for the sale of a 51% interest in the Merlin Project Tenements is IGO waiving Buxton's obligation to spend approximately \$2,967,862 to satisfy an expenditure obligation under an earlier subscription agreement on the tenements. Further, INPL will be able to increase its holding in the Merlin Project Tenements by spending \$5,000,000 on joint venture operations within four years ('the Merlin Project Transaction').

The second agreement relates to the Company's Quickshears project tenements ('the NWC Project') under which Buxton has agreed to sell 80% of its interest in the NWC Project to INPL for \$1.0 million in cash and a deferred cash consideration of \$1.5 million. Further, Buxton will sell its 100% interest in the vehicles and equipment associated with the project for cash consideration of \$275,000 ('the NWC Project Transaction').

The third agreement relates to a variation of Buxton's existing joint-venture agreement with INPL over its West Kimberley Project tenements ('the West Kimberley Project'). Buxton has agreed to vary an existing area of interest clause in the joint venture, such that Buxton (and its associates) will not for a period of four years from 1 August 2019, apply for, or acquire any mining tenements falling within a pre-defined area of interest ('AOI') and where INPL or its associate acquires an interest in a tenement in the AOI, within a period of four years from 1 August 2019, it will grant a net smelter royalty to Buxton ('the West Kimberley Variation').

IGO currently holds 20,408,315 shares in Buxton, which represents approximately 15% of the Company's issued capital. Under the ASX Listing Rules, an ASX listed entity is not permitted to dispose of a substantial asset to various parties including a substantial holder without shareholder approval.

Buxton is seeking approval for all transactions, together, under Resolution one of its Notice of Meeting. As such, we refer to the Merlin Project Transaction, NWC Transaction, and West Kimberley Variation

collectively as ‘the Transaction’. Further information regarding each transaction is detailed in Section 6 of our Report.

## 2. Summary and Opinion

### 2.1 Requirement for the report

The directors of Buxton have requested that BDO Corporate Finance (WA) Pty Ltd (‘BDO’) prepare an independent expert’s report (‘our Report’) to express an opinion as to whether or not the Transaction is fair and reasonable to the non-associated shareholders of Buxton (‘Shareholders’).

Our Report is prepared pursuant to ASX listing rule 10.1 (‘Listing Rule 10.1’) and is to be included in the Notice of Meeting for Buxton in order to assist Shareholders in their decision whether to approve the Transaction.

### 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (‘ASIC’), Regulatory Guide 76 ‘Related party transactions’ (‘RG 76’), Regulatory Guide 111 ‘Content of Expert’s Reports’ (‘RG 111’) and Regulatory Guide 112 ‘Independence of Experts’ (‘RG 112’).

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of the assets being disposed compares to the value of the consideration to be paid for the assets;
- The likelihood of an alternative offer being made to Buxton;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

### 2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of an alternate offer, the Transaction is fair and reasonable to Shareholders.

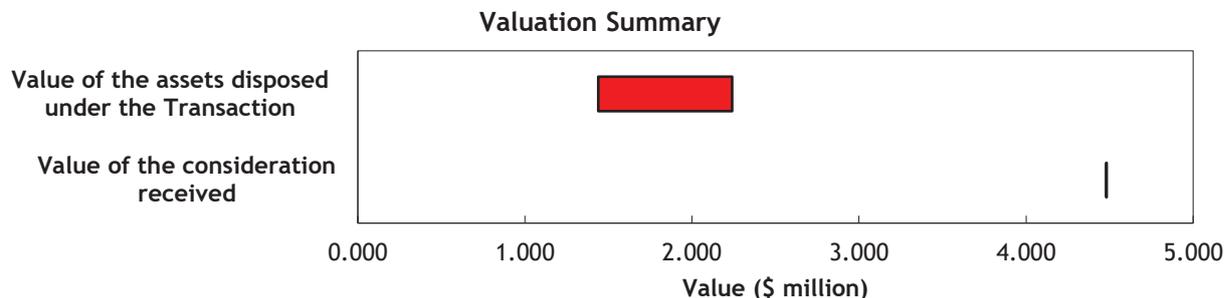
### 2.4 Fairness

In Section 12 we determined that the Transaction consideration compares to the value of the assets being disposed of, as detailed below.

	Ref	Low \$m	Preferred \$m	High \$m
Value of the assets being disposed under the Transaction	10	1.44	1.85	2.24
Value of the consideration received	11	4.48	4.48	4.48

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Transaction is fair for Shareholders.

As detailed in section 12.1, we have separately considered the value of Buxton’s 49% interest (through ACPL) in the Merlin Project Tenements prior to the exploration spend required for INPL to increase its interest up to 80% and compared it to the value of Buxton’s 20% interest in the Merlin Project Tenements following the exploration spend. This comparison is set out in the table below.

	Low \$m	Preferred \$m	High \$m
Value of Buxton's 49% interest in the Merlin Project Tenements prior to the Merlin Earn In spend	0.80	0.92	1.04
Value of Buxton's 20% interest in the Merlin Project Tenements following the Merlin Earn In spend	1.43	1.88	2.43

The table above and the analysis detailed in section 12.1, shows that the value uplift of the expenditure would result in the value of Buxton’s interest (through ACPL) increasing under the low, preferred and high valuations. This shows that the option, if exercised by INPL is likely to result in Buxton not being worse off.

## 2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal, we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3.1	The Transaction is fair	13.4.1	The presence of a substantial shareholder with various interests in Buxton may reduce its attractiveness to other parties
13.3.2	The Transaction reduces Buxton's exploration costs	13.4.2	The Transaction diminishes Shareholders' exposure to Buxton's exploration assets
13.3.3	Partnering with IGO may mitigate exploration risks		
13.3.4	The Transaction further aligns IGO's interests with Buxton Shareholders		
13.3.5	Our fairness assessment ascribes no value to the net smelter royalty and deferred cash consideration components of the Transaction, which provides potential upside for Shareholders		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Consequences of not approving the Transaction

### 3. Scope of the Report

#### 3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules. IGO currently holds 20,408,315 shares in Buxton which represents approximately 15% of the Company's issued capital and is therefore deemed to be a substantial holder pursuant to Listing Rule 10.1.3, as INPL as a wholly owned subsidiary of IGO is an associate of IGO under Listing Rule 10.1.4.

Based on the audited accounts as at 30 June 2019, the value of the assets being disposed is greater than 5% of the equity interest of Buxton. Therefore, the Transaction represents the disposal of a substantial asset.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Transaction. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Buxton.

### 3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Transaction as if it were not a control transaction.

### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. In the case of Buxton the Merlin Project, NWC Project, and West Kimberley Project are the subject of the Transaction. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Transaction is a control transaction. As such, we have not included a premium for control when considering the value of the Merlin Project, NWC Project, and West Kimberley Project.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the asset being disposed and the value of the consideration to be received (fairness - see Section 12 'Is the Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the values derived above (reasonableness - see Section 13 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

*‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.’*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 4. Profile of Buxton

### 4.1 Background

Buxton is an Australian mineral exploration company that listed on the Australian Securities Exchange (‘ASX’) in October 2007. The Company has a portfolio of mineral tenements located across Western Australia (‘WA’). Buxton primarily explores for nickel, copper, and gold. Buxton’s flagship projects are located in the Kimberley region in northern WA and include the West Kimberley JV, the NWC Project, and the Merlin Project. Buxton also has a joint venture with IGO in the Fraser Range district (‘Fraser Range JV’), and two exploration licenses pegged in the southern Yilgarn district that together form the ‘Goldmember Project’.

The current board of directors and senior management of Buxton are:

- Mr. Eamon Hannon - Managing Director;
- Mr. Seamus Cornelius - Non-Executive Chairman;
- Mr. Stuart Fogarty - Non-Executive Director;
- Mr. Anthony Maslin - Non-Executive Director;
- Mr. Feng Xue - Non-Executive Director; and
- Mr. Sam Wright - Company Secretary.

### 4.2 Projects

#### The Merlin Project

The Merlin Project hosts prospective Nickel-Copper sulphide mineralisation and was acquired by Buxton on 27 April 2015. It is located in the Kimberley region of northern WA and represents exploration tenements granted across an area of 28 square kilometres (‘Km<sup>2</sup>’).

On 29 November 2018, Buxton announced that it had entered into a Subscription Agreement (‘Subscription Agreement’) under which IGO subscribed by way of placement for 20,408,315 shares in Buxton for a total amount of \$4,081,663. Pursuant to the Subscription Agreement, ACPL granted a 24 month option to INPL, which allowed INPL to elect to enter into an earn-in and joint venture agreement under which INPL could earn a 70% interest in the Merlin Project by spending \$8.0 million on exploration over four years.

As a condition of the Subscription Agreement, Buxton has an expenditure obligation of \$3,265,330 to spend on initial exploration programs at the Merlin Project. As at 1 August 2019, Buxton has spent \$297,468 on exploration programs, meaning that Buxton is required to spend an additional \$2,967,862 to satisfy its expenditure obligation.

As outlined in Section 6 of this Report, the Transaction would terminate the option to enter the earn-in and joint venture agreement and Buxton would be released from its current expenditure obligation on the Merlin Project.

### **The NWC Project**

On 6 November 2018, Buxton announced it had acquired the NWC Project from New World Cobalt Ltd. The NWC Project comprises of three exploration tenements. Buxton is the sole beneficial owner of tenement E04/2423 and holds an 80% beneficial interest in tenements E04/1972 and E04/2314. The NWC Project covers an area of 552 km<sup>2</sup> and is contiguous to the Merlin Project. It hosts prospective Nick-Copper-Cobalt sulphide mineralisation. As outlined in Section 6 of this Report, the NWC Project tenements are subject to the NWC Project Transaction.

### **West Kimberley Project**

On 29 November 2018, Buxton and ACPL entered into an agreement with INPL relating to the Company's West Kimberley tenements (outside of the Merlin Project) to form the West Kimberley Project. Under the agreement, Buxton is free carried through to completion of a feasibility study, INPL is required to spend \$3,000,000 over four years to earn an 80% interest in the tenements. Once the expenditure obligation has been satisfied, INPL and Buxton will form a joint venture in which INPL has an 80% interest and Buxton has a 20% interest.

Separately, the West Kimberley Project agreement between Buxton and INPL contains an AOI clause, which provides that where either party acquires any interest (or contemplates doing so) in any mining licence or other land tenure within the area, such interest must be offered to the other party on reasonable commercial terms and in proportion to the parties' rights and interests in the tenements.

As detailed in Section 6 of our Report, this AOI clause would be varied under the West Kimberley Variation.

### **Fraser Range JV**

On 24 August 2016, Buxton sold a 90% interest in two tenements and entered into a joint venture agreement with INPL forming the Fraser Range JV. The Fraser Range JV represents two tenements in the Fraser Range district, which host prospective Nickel-Copper mineralisation. Buxton has retained a 10% interest in the tenements, which is free carried until a decision to mine. INPL manages all exploration and has the exclusive right to develop and mine all minerals other than iron ore, in respect of which Buxton has retained the exclusive right to explore and develop. Until a decision to mine is made, Buxton may either participate in development or convert its ownership interest to a Net Smelter Royalty ('NSR').

### **Goldmember Project**

The Goldmember Project (formally known as the Woodline West Project) represents an exploration tenement located 160 kilometres ('Km') south east of Kalgoorlie in the Yilgarn district. The Company has pegged two additional tenements at the project during the September 2019 quarter. Anomalous gold samples have been detected at the project and a soil-sampling program was completed by the Company in August 2019.

## **4.3 Corporate events**

On 6 November 2018, Buxton announced that it had acquired a land holding adjacent to the Merlin Project from New World Cobalt Ltd. The land holding was across three tenements and 552 km<sup>2</sup> hosting prospective

nickel-copper-cobalt mineralisation. The consideration paid comprised of 1,333,333 ordinary shares in Buxton in addition to deferred amounts contingent upon meeting key milestones at the tenements.

On 29 November 2018, the Company announced that IGO had subscribed to a placement of 20,408,315 shares in Buxton, at \$0.20 per share, representing a 35.3% premium to the 20 day volume weighted average price. This placement raised approximately \$4 million and resulted in IGO holding 15% of the Company's issued capital.

On 11 March 2019, Buxton announced the commencement of major work programs across several of its projects, including the Merlin Project, West Kimberley Project, and the Fraser Range JV. This included the preparation of an exploration program for the Merlin Project, as well as systematic greenfields exploration at the Fraser Range JV. Buxton also announced the formal completion of the NWC Project acquisition.

On 23 May 2019, the Company announced that exploration had commenced across the West Kimberley Project via airborne surveys, and that it had re-established its field camp at the Merlin Project. Buxton further detailed inconclusive results from IGO's first drill hole at the Fraser Range JV.

On 9 July 2019, the Company announced that two additional tenements had been acquired by Buxton and INPL under the West Kimberley Project where INPL is the manager. This increased Buxton's total land holding in the region, through various interests, to 4,330 km<sup>2</sup>.

#### 4.4 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-19 \$	Audited as at 30-Jun-18 \$	Audited as at 30-Jun-17 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4,601,342	2,083,448	5,221,125
Trade and other receivables	73,131	48,586	69,749
Other financial assets	128,000	128,000	-
Other current assets	20,564	7,838	8,644
<b>TOTAL CURRENT ASSETS</b>	<b>4,823,037</b>	<b>2,267,872</b>	<b>5,299,518</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	101,188	76,817	95,919
Exploration assets	855,195	656,862	656,862
<b>TOTAL NON-CURRENT ASSETS</b>	<b>956,383</b>	<b>733,679</b>	<b>752,781</b>
<b>TOTAL ASSETS</b>	<b>5,779,420</b>	<b>3,001,551</b>	<b>6,052,299</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	124,438	122,505	164,748
<b>TOTAL CURRENT LIABILITIES</b>	<b>124,438</b>	<b>122,505</b>	<b>164,748</b>
<b>TOTAL LIABILITIES</b>	<b>124,438</b>	<b>122,505</b>	<b>164,748</b>
<b>NET ASSETS</b>	<b>5,654,982</b>	<b>2,879,046</b>	<b>5,887,581*</b>
<b>EQUITY</b>			
Contributed equity	24,234,892	19,518,256	19,268,256
Reserves	1,460,375	1,309,172	1,810,662

Statement of Financial Position	Audited as at 30-Jun-19 \$	Audited as at 30-Jun-18 \$	Audited as at 30-Jun-17 \$
Accumulated losses	(20,040,285)	(17,948,382)	(15,191,367)
<b>TOTAL EQUITY</b>	<b>5,654,982</b>	<b>2,879,046</b>	<b>5,887,581*</b>

Source: Audited financial statements of Buxton for the years ended 30 June 2019, 2018, and 2017

\*We note a variance in the 2017 audited financial statements in the net asset and total equity balances of \$30. We have presented the audited financial statements as reported by the Company

#### Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased from \$2.08 million at 30 June 2018 to \$4.60 million at 30 June 2019 primarily as a result of the placement to IGO for approximately \$4.1 million. However, these cash inflows were offset by payments to suppliers and expenditure on mining interests of \$1.13 million and \$1.57 million respectively over the same period.
- Other financial assets of \$128,000 at 30 June 2019 are term deposits.
- Exploration assets increased from \$0.66 million at 30 June 2018 to \$0.86 million at 30 June 2019 as a result of acquisitions during the period. Exploration assets are tenement acquisition costs carried forward, the ultimate recoupment of costs for tenement acquisition is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

#### 4.5 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-19 \$	Audited for the year ended 30-Jun-18 \$	Audited for the year ended 30-Jun-17 \$
<b>Revenue</b>			
Other income	725,906	166,705	1,525,428
<b>Expenses</b>			
Depreciation expense	(25,448)	(21,302)	(16,654)
Employee benefits expense	(848,707)	(539,871)	(536,037)
Exploration expenses	(1,529,653)	(2,579,041)	(1,217,602)
Corporate expenses	(195,657)	(204,231)	(207,885)
Share based payment expense	(668,006)	-	(510,975)
Administration expenses	(127,242)	(127,322)	(120,770)
<b>Loss from continuing operations before income tax</b>	<b>(2,668,807)</b>	<b>(3,305,062)</b>	<b>(1,084,495)</b>
Financial income	60,101	46,557	19,695
Income tax expense	-	-	-
<b>Loss from continuing operations after income tax</b>	<b>(2,608,706)</b>	<b>(3,258,505)</b>	<b>(1,064,800)</b>
<b>Total comprehensive loss for the year</b>	<b>(2,608,706)</b>	<b>(3,258,505)</b>	<b>(1,064,800)</b>

Source: Audited financial statements of Buxton for the years ended 30 June 2019, 2018, and 2017

### Commentary on Historical Statements of Comprehensive Income

- During the year ended 30 June 2019, Buxton recorded other income of \$0.73 million, largely comprised of \$0.57 million for the reimbursement of exploration costs and \$0.15 million received for an exploration grant.
- During the year ended 30 June 2019, Buxton recorded a share based payment expense of \$0.67 million following the issue of 5.35 million options exercisable at \$0.19, expiring on 30 June 2021.
- Exploration expenses for the year ended 30 June 2019 decreased to \$1.53 million from \$2.58 million recorded in the prior year. As outlined above, Buxton received a reimbursement of part of its exploration expenditure under its agreement with IGO.

## 4.6 Capital Structure

The share structure of Buxton as at 12 December 2019 is outlined below:

	Number
Total ordinary shares on issue	136,055,432
Top 20 shareholders	58,663,098
Top 20 shareholders - % of shares on issue	43.12%

Source: Share registry information

The range of shares held in Buxton as at 12 December 2019 is as:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	% Issued Capital
1-1,000	64	8,950	0.01%
1,001-5,000	187	657,202	0.48%
5,001-10,000	249	2,105,146	1.55%
10,001-100,000	629	25,977,512	19.09%
100,001 - and over	211	107,306,622	78.87%
<b>TOTAL</b>	<b>1,340</b>	<b>136,055,432</b>	<b>100.00%</b>

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 12 December 2019 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Independence Group NL	20,408,315	15.00%
National Business Holding (VU) Ltd	10,841,659	7.97%
A & R Dearlove Pty Ltd <Ant & Renaes Super Fund A/C>	3,649,000	2.68%
Subtotal	34,898,974	25.65%
Others	101,156,458	74.35%
<b>Total ordinary shares on Issue</b>	<b>136,055,432</b>	<b>100.00%</b>

Source: Share registry information

The options currently on issue are outlined below:

Current Options on Issue	Number
Unlisted options expiring 30 June 2021, exercisable at \$0.19	5,350,000
Unlisted options expiring 30 November 2021, exercisable at \$0.15	200,000
<b>TOTAL</b>	<b>5,550,000</b>

Source: Buxton's annual report for the year ended 30 June 2019 and BDO analysis

## 5. Profile of IGO

IGO is a diversified ASX-listed exploration and mining company founded in 2000 and headquartered in Perth, WA. The company's main project is its Nova operation, a Nickel-Copper-Cobalt mine located in the Fraser Range approximately 360 km south east of Kalgoorlie. IGO also owns a 30% interest in the Tropicana Gold joint venture with AngloGold Ashanti Ltd. IGO has a portfolio of exploration projects across Australia predominantly focussing on nickel, copper, and cobalt.

IGO owns a 15% equity interest in Buxton and is party to existing agreements with the Company in addition to those included in the Transaction. This includes the Fraser Range JV as outlined in Section 4 of our Report.

## 6. Outline of the Transaction

On 2 October 2019, Buxton announced the Transaction, which is comprised of three interdependent transactions. Namely, the Merlin Project Transaction, NWC Project Transaction, and the West Kimberley Variation, which are detailed below.

### Merlin Project Transaction

Buxton and ACPL have entered into the Merlin Project Transaction with IGO and INPL whereby, subject to shareholder approval, INPL is to acquire a 51% interest in the Merlin Project tenements. INPL will also be granted a perpetual royalty free licence in respect of all mining information held by Buxton in relation to the Merlin Project tenements.

As consideration for INPL acquiring a 51% interest in the Merlin Project, IGO will waive Buxton's current obligation under the Subscription Agreement to incur \$2,967,862.40 of expenditure on initial exploration programs on the Merlin Project Tenements. INPL also agrees to reimburse Buxton for expenditure it incurs for the Merlin Project after 1 August 2019.

INPL will be the initial manager of the Merlin Project. Further, completion of the Merlin Project Transaction will have the effect of terminating INPL's option under the Subscription Agreement to enter into an earn-in and joint venture agreement in respect of the Merlin Project tenements.

Other than Buxton's shareholder approval by the Notice of Meeting, key conditions precedent of the Merlin Project Transaction include:

- Buxton obtaining the consent of the initial Merlin Project vendors and the relevant parties executing a deed of covenant. The Merlin Project vendors currently have the benefit of a 3% net profit royalty granted by ACPL in respect of the Merlin Project and need to provide their consent to the Merlin Project Transaction; and
- All the conditions precedent to the NWC Project Transaction being satisfied or waived, other than any condition that relates to the obligations of the parties under the Merlin Project Transaction.

Upon completion of the Merlin Project Transaction, INPL will also have the right to sole fund \$5.0 million on operations at the Merlin Project over four years to earn a further 29% joint venture interest ('Merlin Earn In'). Increasing INPL's total ownership interest in the Merlin Project to 80%.

In the event that INPL elects to increase its ownership interest, and fulfils the requisite expenditure requirements, ACPL's 20% interest will be free carried until completion of a feasibility study. For additional details relating to the Merlin Project Transaction, please refer to the Notice of Meeting.

### NWC Project Transaction

Buxton and ACPL have entered into the NWC Project Transaction with IGO and INPL whereby, subject to shareholder approval, INPL is to acquire 80% of the Company's interest in the NWC Project. INPL will also be granted a perpetual royalty free licence in respect of all mining information held by Buxton in relation to the NWC Project tenements.

The tenements comprising the NWC Project are tenements E04/2423 ('Fissure Tenement') and the tenements E04/1972 and E04/2314 ('TT Tenements').

The ownership interests of the tenements comprising the NWC Project prior to and following the Transaction is set out below:

	Fissure Tenement	TT Tenements
<b><u>Prior to the Transaction</u></b>		
Buxton	100%	80%
INPL	0%	0%
Mr Timothy Tatterson ('Tatterson')	0%	20%
<b><u>Following the Transaction</u></b>		
Buxton	20%	16%
INPL	80%	64%
Tatterson	0%	20%

Source: BDO analysis

Therefore, pursuant to the NWC Project Transaction, Buxton will sell 80% of the Fissure Tenement and 64% of the TT Tenements.

The consideration to be paid to Buxton for the NWC Project Transaction comprises:

- \$1.0 million upfront cash consideration for its interest in the NWC Project tenements;
- \$275,000 upfront cash consideration for the purchase of vehicles and equipment; and
- \$1.5 million deferred cash consideration contingent upon achievement of three key milestones, which are summarised below.

The deferred \$1.5 million cash consideration is to be paid in three \$0.5 million payments upon completion of the following milestones:

- IGO or its subsidiaries identifying drill results on the NWC Project tenements intersecting Nickel mineralisation at or above key grades (further details set out in the Notice of Meeting);

- IGO or its subsidiaries identifying a resource compliant with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) ('JORC') (inferred, indicated and/or measured; of any size and/or grade; for any commodity) within the NWC Project tenements; and
- IGO or its subsidiaries identifying a JORC compliant resource that exceeds 15,000 tonnes of contained nickel equivalent within the NWC Project tenements.

Other than Buxton's shareholder approval by the Notice of Meeting, the key conditions precedent for the NWC Project Transaction include:

- Buxton perfecting its title to the NWC Project tenements by becoming the registered holder of a 100% interest in the Fissure tenement and an 80% interest in the TT tenements. This condition has been satisfied;
- Parties with interests in the NWC Project tenements, executing a deed of consent, assignment, assumption and variation; and
- The conditions precedent to the Merlin Project Transaction being satisfied or waived, other than any condition that relates to the obligations of the parties under the NWC Project Transaction.

Upon completion of the NWC Project Transaction, Buxton will have a 20% ownership interest in the Fissure Tenement and INPL will have an 80% ownership interest. INPL will manage the joint venture separately until the joint venture is formed under the West Kimberley Project Agreement (see Section 4.2) at which point the tenement will be brought into the West Kimberley Project. Buxton's interest in the tenement will be free carried by INPL, until the completion of a feasibility study, after which point Buxton will be liable to contribute to joint venture expenditure proportionally to its ownership interest.

In relation to the TT Tenements, upon completion of the NWC Project Transaction, INPL will become a party to the existing joint venture between Buxton and Tatterson in respect of the TT Tenements. After joining the joint venture, INPL will become the manager. Buxton will hold a 16% interest in the TT Tenements, which interest will be free carried until completion of a feasibility study. Tatterson will have a 20% interest in the TT Tenements, which interest will be free carried until a decision to mine.

### **West Kimberley Variation**

Buxton and ACPL have entered into the West Kimberley Variation with INPL whereby, upon the completion of the NWC Project Transaction, the parties will vary the AOI clause for the West Kimberley Project. The West Kimberley Variation, which will replace the existing AOI clause outlined in Section 4, states that:

- Buxton will not, for a period of four years from 1 August 2019, apply for or acquire any mining tenements falling wholly or partly within the area of interest; and
- for a period of four years from 1 August 2019, where INPL or its associate acquires an interest in any mining tenement within the area of interest, it will grant to Buxton:
  - where INPL or its associate holds the interest in the tenement with a third party, a 0.25% NSR on INPL's interest in the relevant tenement; or
  - where INPL or its associate holds 100% of the tenement, a 0.5% NSR.

## 7. Economic analysis

The Reserve Bank of Australia ('RBA') is expecting GDP growth of around 2.75% over both 2019 and 2020, which is lower than previously forecast. Growth is anticipated to be supported by increased investment in infrastructure, the low level of interest rates, and a pick-up in activity in the resources sector, as mining firms invest to sustain production levels and expand productive capacity. However, there remains some uncertainty around the outlook for household consumption. Continued low growth in household income remains a key risk to the outlook for household consumption, notwithstanding a pick-up in household disposable income and signs of stabilisation in the Melbourne and Sydney housing market, which are expected to support spending. Declines in housing prices since the start of 2019 are expected to further weigh on household net wealth.

### Employment

Strong employment growth has been evident over recent years, and labour force participation is at a record high. Over recent months, the unemployment rate has remained steady at 5.25%, and is anticipated to decline to 5% over the next few years. Overall wage growth remains low, influenced by labour supply meeting the demand for labour, and caps on wages growth affecting public-sector pay outcomes. A stronger domestic economy should see a gradual lift in wage growth over time. The RBA notes that a further lift in wage growth would be required to sustainably lift inflation to within its medium term 2%-3% target range.

### Inflation

Domestic inflation remains low, and suggests subdued inflationary pressures across the economy. Inflation in both headline and underlying terms was 1.7% for the September 2019 quarter. Inflation forecasts have been revised, with the RBA expecting headline and underlying inflation to be slightly below 2% over 2020 and 2021. At the RBA's November 2019 meeting, the RBA left the cash rate unchanged at 0.75% after it was lowered 25 basis points in October. The RBA stated that October's cut was necessary to support employment and income growth and to provide greater confidence that inflation will be consistent with its medium-term target. In their decision, the RBA also took into account the factors that have led to the trend of lower interest rates globally, noting that interest rates and long-term government bond yields are at record lows in many countries.

### Currency movements

The Australian dollar is currently at the low end of the narrow range that it has been trading recently. Movements in the Australian dollar tend to be related to developments in commodity prices and interest rate differentials. Since the start of the year, these two forces have been working in offsetting directions, with commodity prices generally increasing and Australian bond yields declining relative to those in other major markets.

Source: [www.rba.gov.au](http://www.rba.gov.au) Statement by Philip Lowe, Governor: Monetary Policy Decision 3 September 2019, 2 October 2019, 5 November.

## 8. Industry analysis

### 8.1 Copper

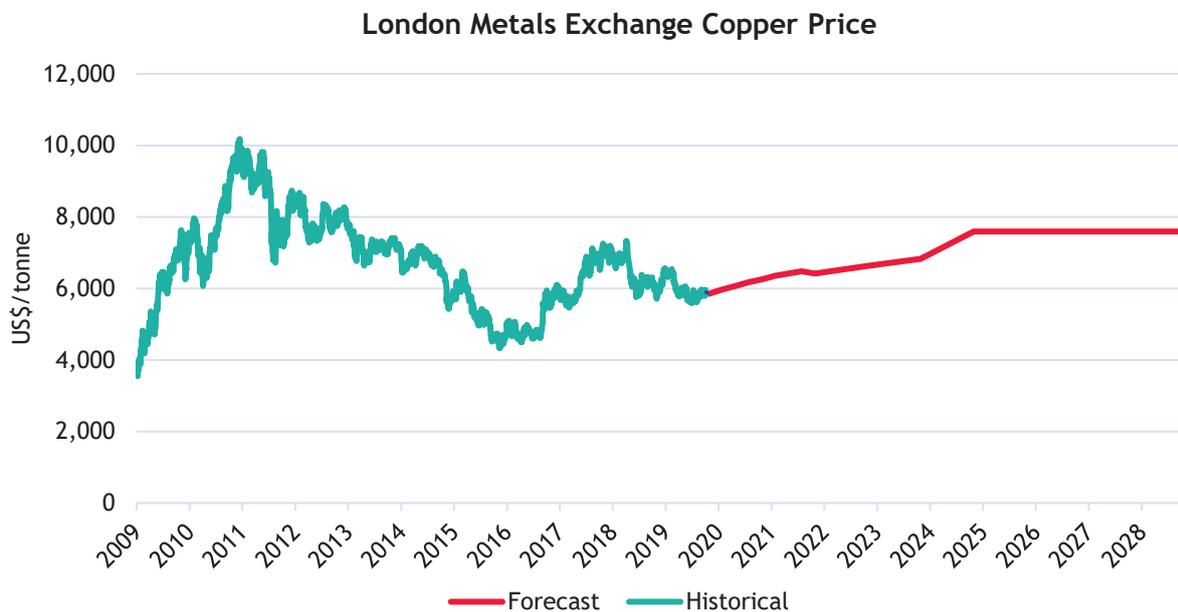
Copper is the third most used metal worldwide in terms of volume. Copper has a wide range of applications, as it is malleable, conducts heat and electricity well, and is resistant to corrosion. It is used extensively in electrical products, vehicle components, construction and infrastructure developments. Industry revenue is primarily driven by demand for copper tubes and wire that are commonly used in the building and construction sector.

#### Copper Price

Following a deterioration in global economic conditions in 2008, base metal prices, including copper, fell sharply. The copper price recovered over 2010 and 2011, to reach a high of approximately US\$10,180 per tonne in February 2011. The recovery in the copper price reflected a steady increase in demand for base metals, following a pick-up in global industrial production after the Global Financial Crisis.

The copper price steadily declined between 2011 and 2017, before increasing in price in mid-February 2017 as a result of strike action at the world's largest copper mine Escondida, located in Chile.

The average copper price from January 2018 through December 2019 was US\$5,996/t, ranging from a low of US\$5,585/t on 3 September 2019 to a high of US\$6,556/t on 28 February 2019. According to Consensus Economics the long term forecast copper price is expected to be between approximately US\$6,600/t and US\$7,600/t.

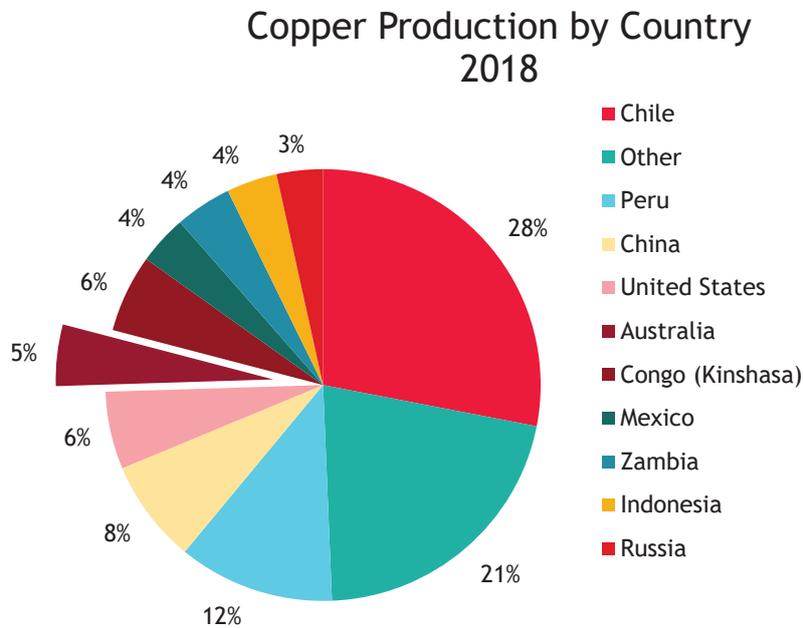


Source: Bloomberg and Consensus Economics

### Copper Production

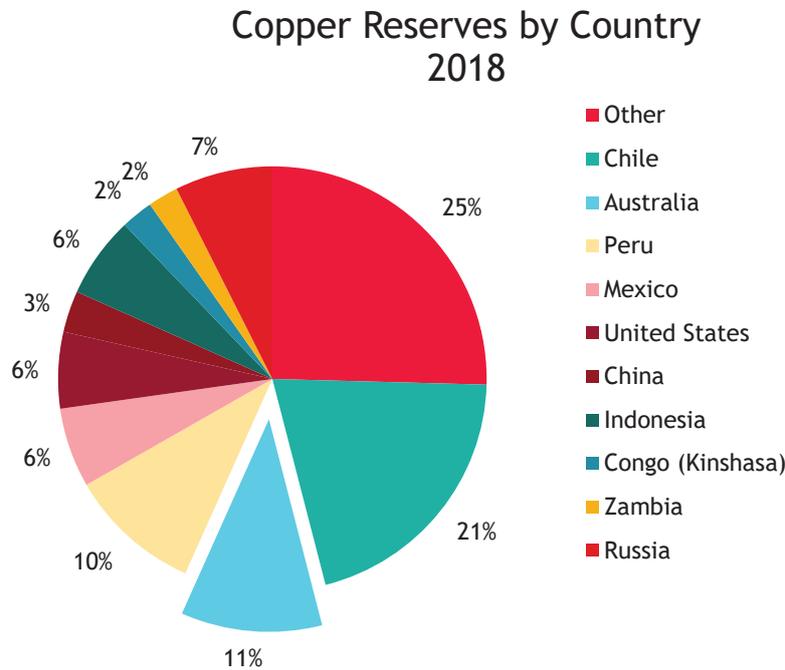
The majority of the world’s copper supply is mined in Central and South America, specifically, Chile and Peru. Chile is the world’s largest copper producer, with an estimated 5,800 tonnes of copper mined throughout 2018, or approximately 28% of the world copper production. The International Copper Study Group (‘ICGS’) estimates that global copper production declined approximately 1.3% in the first seven months of 2019. ICGS attributed this decline to lower copper head grades and production disruptions in Chile, as well as declines in output at Indonesia’s largest two mines that temporarily reducing output levels.

U.S Geological Survey, estimated that Australia accounted for approximately 5% of the total world copper production for 2018. The graphs below illustrate estimated production output for 2018 and copper reserves by country:



Source: U.S. Geological Survey

A figure illustrating the world's copper reserves is illustrated below:



Source: U.S. Geological Survey

## 8.2 Nickel

Nickel is primarily sold for use as a refined metal in the form of cathode, powder, or briquette. It is also sold as a ferronickel, and approximately 65% of nickel consumed in the developed world is used to make stainless steel and other non-ferrous alloys. It is widely regarded for its corrosion resistance and is commonly used in super-alloys for fabrication of critical engine components and for other performance products and industries. Other uses include rechargeable batteries, catalysts, plating and foundry products.

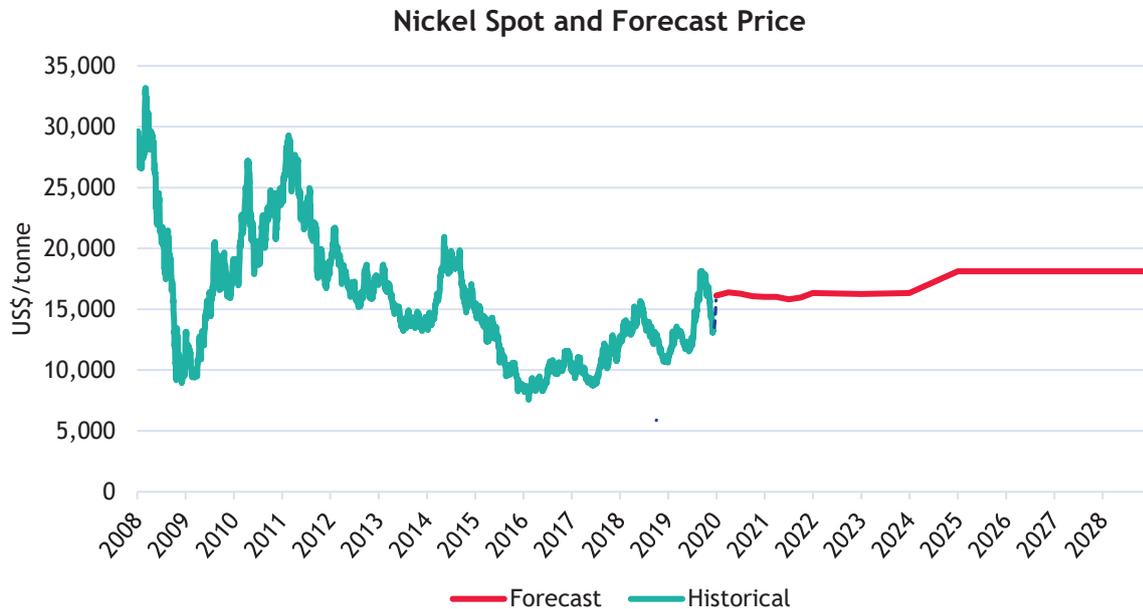
### Nickel Price

In the aftermath of the global financial crisis, the Nickel price fell alongside most other base metals and commodities. The Nickel price recovered over 2010 and 2011, reaching a high of approximately US\$29,281 per tonne in February 2011 but has never retraced its pre-crisis highs.

The nickel price steadily trended downwards between 2011 and 2017 with the exception of a significant price spike in mid-2014 resulting from an Indonesian government ban on Nickel exports. Indonesia is the world's largest nickel producer, and while the price impact of the ban was short-lived, renewed concerns have begun to push up the nickel price in recent months as speculators and buyers anticipate future supply shortages.

The average nickel price from January 2019 through December 2019 was US\$13,938/t, ranging from a low of US\$10,791/t on 2 January 2019 to a high of US\$18,153/t on 12 September 2019. The price of nickel fell below US\$14,000/t late in November 2019, driven by concerns over a weaker Chinese economy and the market for stainless steel. According to Consensus Economics, the long term forecast nickel price from

2020 to 2023 is expected to be between US\$15,500/t to US\$16,500/t, with the long term forecast approximately US\$18,000/t.



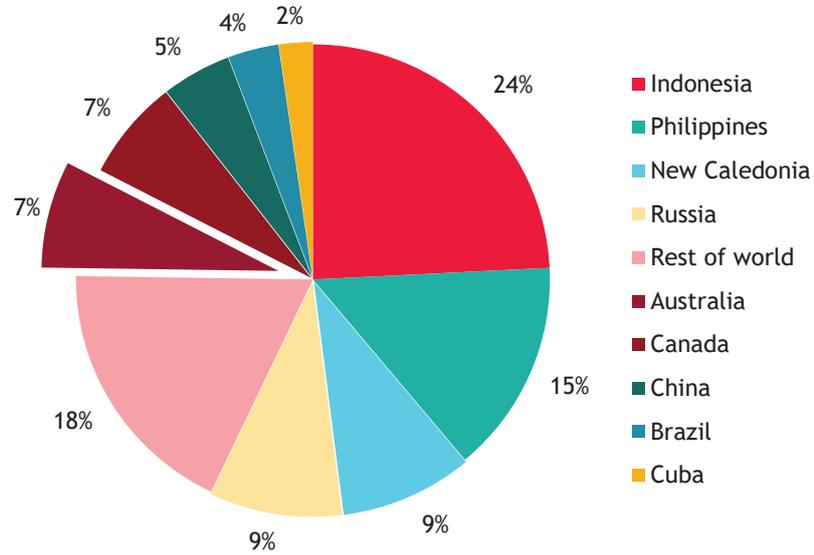
Source: Bloomberg and Consensus Economics

### Nickel Production

In 2018, the majority of the world's Nickel was produced in Indonesia (24%), the Philippines (15%), and New Caledonia (9%). Indonesia is the world's largest Nickel producer, with an estimated 560,000 tonnes of mined throughout 2018. While overall production has increased in response to higher prices, in recent years production of refined nickel has decreased as the lower relative cost of nickel pig iron has attracted demand from steel producers. Another key production trend has been the increasing volume of nickel sulfate sold, buoyed by increasing demand for batteries used in electric vehicles and energy storage.

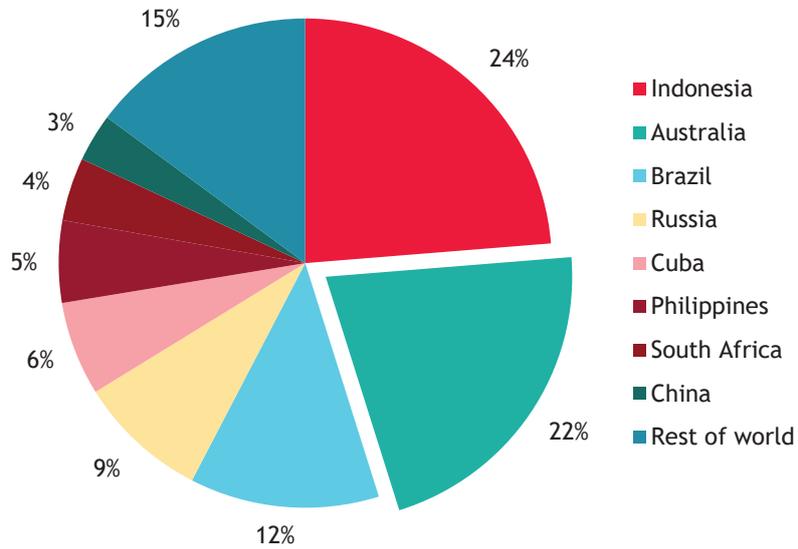
An IBIS World report estimated that Australia contributed approximately 7% of the total world nickel production in 2018 and is anticipated to rise 4% as domestic producers increase output to capitalise on higher prices. The graphs below illustrate estimated production output for 2018 and nickel reserves by country:

### Nickel Production by Country (2018)



Source: U.S. Geological Survey

### Nickel Reserves by Country



Source: U.S. Geological Survey

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment.

However, for the purpose of assessing whether the Transaction is fair and reasonable to Shareholders for the purposes of Listing Rule 10.1, we are assessing the value of the assets being disposed relative to the value of the consideration received. As such, the above valuation methodologies are not appropriate for our valuation assessment. Rather, we have commissioned Valuation Resource Management Pty Ltd ('VRM') to provide an independent market valuation of the Company's mineral assets that are being disposed.

The methodologies employed by VRM are set out below:

- Geoscientific or Kilburn approach (primary approach), which involves determining the base acquisition cost of an asset, which represents the cost to acquire and retain the asset. The valuer then considers the following four factors:
  - Off Property Factor - Proximity to major deposits;
  - On Property Factors - The success of previous exploration on the tenement;
  - Anomaly Factors - The success of previous exploration within the tenement; and
  - Geological Factors - The geological prospectivity of the terrain covered by the mineral claims or tenements.
- Comparable market transactions (cross check approach), which involves considering comparable transactions and deriving a \$ per common attribute. The \$/common attribute multiple is then applied to the subject asset's common attribute. In this case, VRM have used an area based comparable market transaction approach as the subject assets do not have a declared mineral resource.
- Prospectivity Enhancement Multiplier (cross check approach) which involves applying a multiplier to the level of expenditure incurred historically on the project. The multiplier applied will depend on the characteristics of the subject asset and the success of historical exploration expenditure. Section 4.6.2 of VRM's report outlines the different multipliers applied to historical expenditure.

We confirm that VRM's valuation approaches are in accordance with Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) ('VALMIN Code') and industry practices. We therefore consider it appropriate to rely on the independent valuations performed by VRM. Further information on VRM's valuation approaches can be found in the VRM report, attached as Appendix 2 to our Report.

## 10. Valuation of the assets being disposed

The range of values for each of Buxton's exploration assets as assessed by VRM is set out below:

	Note	Low \$m	Preferred \$m	High \$m
Value of a 51% interest in the Merlin Project Tenements	a	0.83	0.96	1.09
Value of an 80% interest in the Fissure Tenements (NWC Transaction)	b	0.12	0.19	0.25
Value of a 64% interest in the TT Tenements (NWC Transaction)	c	0.29	0.45	0.60
Value of Buxton's interest in the equipment and vehicles	d	0.20	0.25	0.30
<b>Total value of the assets disposed under the Transaction</b>		<b>1.44</b>	<b>1.85</b>	<b>2.24</b>

The table above indicates a range of values between \$1.44 million and \$2.24 million, with a preferred value of \$1.85 million.

### Note a) Merlin Project Tenements

As detailed in the VRM report, the value of the Merlin Project on a 100% basis is \$1.64 million to \$2.13 million with a preferred value of \$1.88 million. The value of the 51% interest being disposed is between \$0.83 million and \$1.09 million with a preferred value of \$0.96 million, as taken from the VRM report.

### Note b) Fissure Tenements

As detailed in the VRM report, the value of the Fissure Tenement on a 100% basis is \$0.15 million to \$0.32 million with a preferred value of \$0.23 million. The value of the 80% interest being disposed is between \$0.12 million and \$0.25 million with a preferred value of \$0.19 million, as taken from the VRM report.

### Note c) TT Tenements

As detailed in the VRM report, the value of the TT Tenements (Quick Shears) on a 100% basis is \$0.45 million to \$0.95 million with a preferred value of \$0.70 million. The value of the 64% interest being disposed is between \$0.29 million and \$0.60 million with a preferred value of \$0.45 million.

### Note d) Value of the Company's interest in the vehicles and equipment

We have assessed the value of the Company's interest in the vehicles and equipment that are being disposed as part of the Transaction. In order to form our view of the value of the vehicles and equipment we have reviewed the list of assets and the carrying amount of those assets which appear on the Company's fixed asset register. For those assets that form a significant portion of the total value of the equipment, we have assessed the market value of these assets based on comparable market value databases and publicly available sales and advertising platforms. For those assets that we are unable to determine a market value based on our research, we have estimated the value using a range and obtained a representation from management regarding the reasonableness of our estimate. These are lower value items that are unlikely to have a material impact on our opinion or conclusion.

We have assessed the value of the vehicles and equipment being disposed is between \$0.20 million and \$0.30 million with a preferred value of \$0.25 million.

We note that any reasonable estimate of the value of the vehicles and equipment being disposed, would not alter our opinion in relation to the Transaction.

## 11. Valuation of consideration

The value of the consideration to be received under each of the agreements which form the Transaction are set out below:

	Note	\$
<b><u>Merlin Project Transaction</u></b>		
Waiving of expenditure obligation for a 51% interest in the Merlin Project	a	2,967,862
Reimbursement of expenditure incurred on the Merlin Project post 1 August 2019	a	235,000
<b><u>NWC Project Transaction</u></b>		
Upfront cash consideration	b	1,275,000
Deferred cash consideration	c	Refer note c
<b><u>West Kimberley Variation</u></b>		
Net Smelter Royalty	d	Refer note d
<b>Total value of the consideration</b>		<b>4,477,862</b>

We note the following in relation to the above valuations of each component of the consideration to be received by Buxton.

### Note a) Waiving of expenditure obligation

As detailed in section 6, the Company's current exploration commitments of \$2,967,862 will be waived in exchange for the 51% interest in the Merlin Project that will be transferred to INPL. The value of the waiving of this commitment is equivalent to the amount of the commitment, therefore we have valued it at \$2,967,862.

We note that INPL also agrees to reimburse Buxton for expenditure it incurs on the Merlin Projects after 1 August 2019. Management advise that the Company has incurred expenditure of approximately \$235,000 subsequent to 1 August 2019, which will be reimbursed by IGO.

### Note b) Upfront cash consideration

Buxton will receive upfront cash consideration of \$1,000,000 for the sale of its interest in the NWC Project. Further, it will receive cash consideration of \$275,000 for the sale of its interest in vehicles and equipment associated with the NWC Project. The upfront cash consideration has therefore been valued at \$1,275,000.

### Note c) Deferred cash consideration

As detailed in section 6 of our Report, Buxton will receive a total of up to \$1,500,000 in cash, which is to be paid in three \$500,000 payments on satisfaction of three milestones. The NWC Project is not sufficiently advanced for us to have a reasonable basis on which to base assumptions around the likelihood of these milestones being met or the timing of these milestones. If these milestones are met, we would expect that these would be value accretive, however again, we would not have reasonable grounds for assumptions around quantifying any value uplift. As such, we have not valued the deferred cash consideration but have instead incorporated it into our reasonableness assessment as an advantage of approving the Transaction.

### Note d) Net smelter royalty

Pursuant to the West Kimberley Variation, Buxton is entitled to a NSR if INPL or its associate acquires an interest in a tenement in the AOI within four years from 1 August 2019. There may be value in this royalty if INPL or its associates acquire an interest in a tenement within the AOI and that tenement is advanced to production. However, we would not have reasonable grounds to assume that INPL or associates would acquire a tenement within the AOI, or if it did, quantifying the value of this royalty (if any).

## 12. Is the Transaction fair?

The value of the assets being disposed under the Transaction and the consideration received for those assets, is compared below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of the assets being disposed under the Transaction	10	1.44	1.85	2.24
Value of the consideration received	11	4.48	4.48	4.48

We note from the table above that the value of the assets being disposed under the Transaction is less than the value of the consideration. Therefore, in the absence of any other relevant information, and a superior offer, we consider that the Transaction is fair for Shareholders.

### 12.1 Assessment of the valuation impact of the Merlin Earn In

Pursuant to the Merlin Project Transaction, in addition to the 51% interest being sold to INPL, Buxton will also grant an option to INPL which will allow it to increase its holding up to 80% by sole funding \$5,000,000 of joint venture operations. We note that this option has a minimum value of nil, however the payoff profile to the holder of an option (in this case INPL) is unlimited. The value of the option being granted will be dependent on the success of future exploration work in relation to the Merlin Project. The success of future exploration work is unknown, however, in order to assign a value to the option that is being granted to INPL, we have assessed the potential uplift in value as a result of the \$5,000,000 of expenditure required to earn the additional 29% interest.

We would expect that this expenditure would only be committed to if the management team could reasonably assume that the expenditure would be value accretive. The quantum of the value accretion (if

any) of exploration expenditure is uncertain. However, in order to form a view on the uplift in value resulting from this expenditure we have relied on the range of Prospectivity Enhancement Multipliers ('PEM') used by VRM in their PEM valuation. VRM, the independent technical specialist has determined a range of multiples to apply to historical expenditure on the Merlin Project Tenements to be between 1.1 and 2.

Therefore, we have applied this multiple to the \$5,000,000 expenditure as set out below.

	Low \$m	Preferred \$m	High \$m
Expenditure required to earn additional 29%	5.00	5.00	5.00
PEM range assessed by VRM	1.10	1.50	2.00
Value uplift as a result of expenditure	5.50	7.50	10.00
Pre-spend value of the Merlin Project Tenements (100%)	1.64	1.88	2.13
Post-spend value of the Merlin Project Tenements (100%)	7.14	9.38	12.13
<b><u>Valuation of Buxton's interest prior to and following the Merlin Earn In spend</u></b>			
Value of Buxton's 49% interest in the Merlin Project Tenements prior to the Merlin Earn In spend	0.80	0.92	1.04
Value of Buxton's 20% interest in the Merlin Project Tenements following the Merlin Earn In spend	1.43	1.88	2.43

The above table shows that, based on VRM's assessed multiples, the value uplift of the expenditure would result in the value of Buxton's interest (through ACPL) increasing under the low, preferred and high valuations. This shows that the option, if exercised by INPL is likely to result in Buxton not being worse off. Therefore, if we were to incorporate the above analysis into our assessment of whether the Transaction is fair, it would not change our opinion.

We have considered the valuation impact of the Merlin Earn In separately to our assessment of whether the Transaction is fair because INPL has the right but not the obligation to increase its interest in the Merlin Project Tenements up to 80%. Therefore, we do not consider it appropriate to include this in our assessment of whether the Transaction is fair, because there is a risk that an option may cause the Transaction to appear fair, but if INPL do not elect to exercise it, then the value of the assets disposed may actually be higher than the consideration received, which would render the Transaction to be not fair. Our below assessment however, shows that Buxton's 20% interest (through ACPL) following the Merlin Earn In spend is higher than the value of the 49% interest prior to the Merlin Earn In spend.

Further, the valuation uplift resulting from the earn in expenditure is highly subjective as evidenced by VRM's statement in their report that it is "the least transparent and most variable valuation method", therefore we do not consider it appropriate to include in our assessment of whether the Transaction is fair to Shareholders.

## 13. Is the Transaction reasonable?

### 13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Buxton a premium over the value resulting from the Transaction.

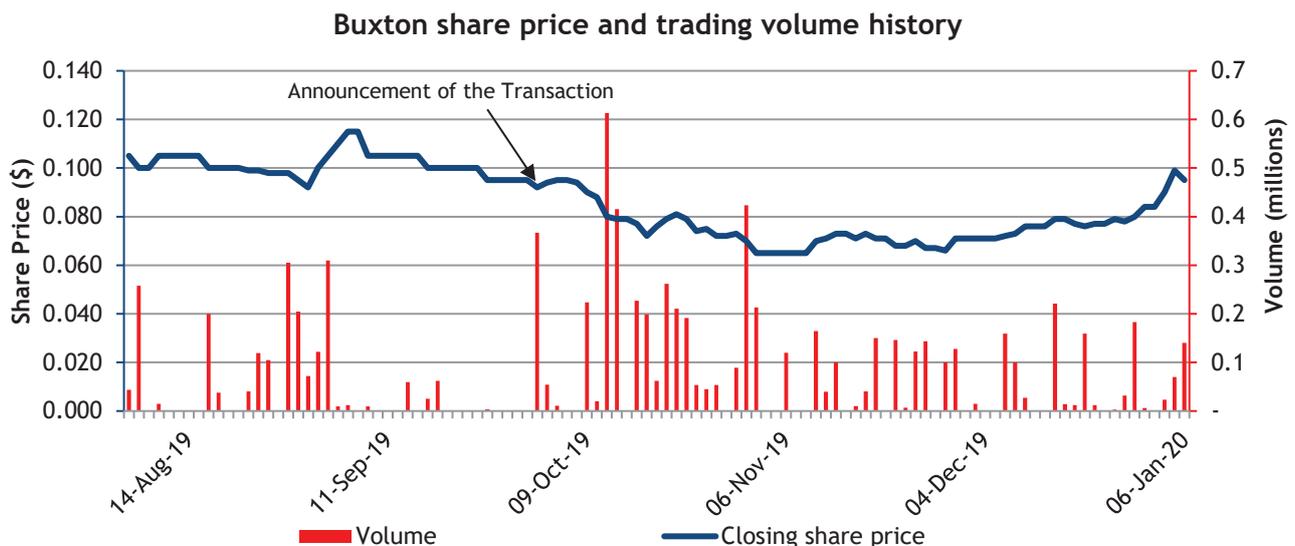
### 13.2 Consequences of not Approving the Transaction

#### Consequences

Should the Transaction not be approved, Buxton will not be released from its \$3.0 million expenditure obligation on the Merlin Project tenements. Given this commitment, Buxton may be unable to pursue exploration opportunities at its other tenements without raising further capital. Capital raisings are likely to be dilutive to existing Shareholders' interests.

#### Post-announcement pricing

We have analysed movements in Buxton's share price since the Transaction was announced. A graph of Buxton's share price since the announcement is set out below.



Source: Bloomberg, BDO analysis

On 2 October 2019, the day of the Transaction announcement, 366,775 shares were traded, which was the highest volume traded since 11 July 2019. The volume traded was significantly higher than Buxton's average daily volume of shares traded over the period from 6 August 2019 to 6 January 2020 of 76,588 shares. Buxton's share price reached an intra-day high of \$0.110 before closing at \$0.092 on the date of the announcement. On 3 October 2019, the first day of trading after the announcement, the share price closed higher at \$0.094 with 54,383 shares traded. Over the period from 3 October 2019 (the next day following the announcement of the Transaction), the Company's closing share price has ranged from a low of \$0.065 to a high of \$0.099.

Given the above analysis, if the Transaction is not approved then Buxton's share price is unlikely to decline.

### **13.3 Advantages of Approving the Transaction**

#### **13.3.1. The Transaction is fair**

As set out in section 12, the Transaction is fair. RG 111.12 states that an offer is reasonable if it is fair.

#### **13.3.2. The Transaction reduces Buxton's exploration costs**

Buxton will be free carried by INPL to feasibility studies under the Merlin Project Transaction and the NWC Transaction, thereby reducing future exploration costs. Further, Buxton will be relieved from its current expenditure obligation of approximately \$2,967,362 under the Merlin Project Transaction. The Company currently has sufficient cash to meet this commitment however, by entering into the Transaction, the Company's cash reserves can be utilised elsewhere. The Transaction therefore provides management with greater operational flexibility and liquidity to capitalise on potential future opportunities should they arise. If the Transaction does not proceed, Buxton may not have the cash required to conduct the same level of exploration activity currently proposed under the Transaction without raising further capital. Any such capital raising would likely be dilutive to existing Shareholders.

#### **13.3.3. Partnering with IGO may mitigate exploration risks**

IGO have a proven track record in mineral exploration and transitioning from exploration to mine development. Further, IGO is much better capitalised than Buxton, with a current market capitalisation of approximately \$3.6 billion. As such, IGO are an attractive farm-in and joint venture partner, with both the technical expertise and capital required to unlock the potential value that may lie in Buxton's assets. Furthermore, as Buxton and IGO (and their subsidiaries) are already party to numerous farm-in and joint venture agreements within the West Kimberley region, partnering with IGO may have greater strategic value than other joint venture partners.

#### **13.3.4. The Transaction further aligns IGO's interests with Buxton Shareholders**

INPL are offering a \$1,275,000 upfront cash consideration for the Transaction and will manage the Merlin Project and the NWC Project. IGO currently share alignment with Buxton's shareholders by virtue of its 15% equity interest in the Company. The Transaction further aligns IGO's interests with Buxton shareholders as IGO, through INPL will be acquiring a controlling stake in both the Merlin Project and NWC Project, which Buxton will retain an interest in.

#### **13.3.5. Our fairness assessment ascribes no value to the net smelter royalties and deferred cash consideration components of the Transaction, which provides potential upside for Shareholders**

We do not have reasonable grounds to assume that either the NSR or deferred cash consideration will be realised. As such, we have not ascribed any value to the NSR or deferred cash consideration of the Transaction in our fairness assessment. The NWC Project Transaction includes a deferred cash consideration of up to \$1,500,000, and the West Kimberley Variation grants Buxton two NSRs as detailed in Section 6 of our Report, in the event that INPL or its associates acquire a tenement within the AOI. Notwithstanding the above, the NSR and deferred cash consideration provides potential upside value to Shareholders.

## 13.4 Disadvantages of Approving the Transaction

### 13.4.1. The presence of a substantial shareholder with various interests in Buxton may reduce its attractiveness to other parties

The existence and consolidation of the farm-in and joint venture agreements with IGO, in addition to its 15% equity interest in Buxton may reduce Buxton's attractiveness to potential acquirers and therefore may reduce the likelihood of a takeover offer being made for the Company. This is likely to reduce the likelihood of Shareholders being able to participate in a takeover premium.

### 13.4.2. The Transaction diminishes Shareholders' exposure to Buxton's exploration assets

If the Transaction is approved, Buxton's interest in the Merlin Project will decrease from 100% to 49%, its interest in the Fissure Tenements will decrease from 100% to 20% and its interest in the TT tenements will decrease from 80% to 16%. Further, as part of the Merlin Project Transaction, IGO are granted an option to increase its interest up to 80% by sole funding \$5,000,000 of exploration expenditure. Therefore, by approving the Transaction, Shareholders are limiting the potential to participate in any upside of these projects, should it materialise.

## 14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Buxton.

## 15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Buxton for the years ended 30 June 2019, 30 June 2018 and 30 June 2017;
- Independent Valuation Report of Buxton's mineral assets performed by VRM;
- Share registry information;
- RBA Monetary policy statements and meeting minutes;
- Consensus Economics forecasts;
- IBIS World Industry Market Research;
- USGS base metal statistics and information;
- ICSG copper statistics and information;
- Office of the Chief Economist Resources and Energy Quarterly research; and
- Discussions with Directors and Management of Buxton.

## 16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not

receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Buxton in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Buxton, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Buxton Resources Ltd and Independence Group NL and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Buxton Resources Ltd and Independence Group NL and their respective associates.

BDO Audit (WA) Pty Ltd is the auditor of IGO and over the past two years have provided audit related services for total fees of approximately \$372,000. BDO Advisory (WA) Pty Ltd has provided cyber security services to IGO for total fees of approximately \$5,000. BDO Corporate Tax (WA) Pty Ltd have provided tax advisory services in relation to IGO's employee share scheme for total fees of approximately \$10,000.

The provision of our services to Buxton is not considered a threat to our independence as auditors of IGO under Professional Statement APES 110 - Professional Independence. The services provided to Buxton have no material impact on the financial report of IGO.

A draft of this report was provided to Buxton and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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## 17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia

with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources Leader for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants. Ashton has over eight years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

## 18. Disclaimers and consents

This report has been prepared at the request of Buxton for inclusion in the Explanatory Memorandum and Notice of Meeting which will be sent to all Buxton Shareholders. Buxton engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the Transaction is fair and reasonable to the non-associated shareholders of Buxton.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Buxton. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Buxton, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Buxton. The valuer engaged for the mineral asset valuation, Valuation Resource Management Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**

A handwritten signature in black ink, appearing to read 'Adam Myers'.

**Adam Myers**

Director

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

**Sherif Andrawes**

Director

# Appendix 1 - Glossary of Terms

Reference	Definition
ACPL	Alexander Creek Pty Ltd
The Act	The Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
AOI	The area of interest as defined in the agreement between INPL and Buxton for the West Kimberley Project, which is proposed to be amended under the West Kimberley Variation
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Buxton	Buxton Resources Limited
The Company	Buxton Resources Limited
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Cash Flows
Fissure Tenement	Tenement E04/2423
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
Fraser Range JV	Joint venture between Buxton and INPL for tenements E28/1959 and E28/2201
FSG	Financial Services Guide
Goldmember Project	Prospective gold project across tenement E28/2620
ICSG	International Copper Study Group
IGO	Independence Group NL

Reference	Definition
INPL	Independence Newsearch Pty Ltd
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Km	Kilometres
Km <sup>2</sup>	Kilometres squared
Listing Rule 10.1	ASX Listing Rule 10.1
Merlin Earn In	Upon completion of the Merlin Project Transaction, INPL will also have the right to sole fund \$5.0 million on operations at the Merlin Project over four years to earn a further 29% joint venture interest
Merlin Project Tenements	Tenements E04/1533, E04/2026, and E04/2142
Merlin Project Transaction	The transaction whereby a 51% interest in the Merlin Project tenements E04/1533, E04/2026, and E04/2142 are to be sold to INPL. Further, INPL will be able to increase its holding in the Merlin Project Tenements by spending \$5,000,000 on joint venture operations within four years
NAV	Net Asset Value
NSR	Net Smelter Royalty
NWC Project Transaction	The transaction whereby 80% of the Company's interest in the NWC Project tenements E04/2423, E04/1972, and E04/2314 and 100% of its interest in the vehicles and equipment are to be sold to INPL for cash consideration
NWC Project	Tenements E04/2423, E04/1972, and E04/2314 contiguous to the Merlin Project and the subject of the NWC Project Transaction
PEM	Prospectivity Enhancement Multiplier
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 76	Related party transactions (March 2011)
RG 111	Content of expert reports (March 2011)

Reference	Definition
RG 112	Independence of experts (March 2011)
Shareholders	Shareholders of Buxton not associated with IGO
Subscription Agreement	The agreement under which IGO subscribed by way of placement for 20,408,315 shares in Buxton for a total amount of \$4,081,633
Tatterson	Mr Timothy Tatterson
The Transaction	Three interdependent transactions, the subject of three agreements between Buxton, ACPL, IGO and INPL specifically the Merlin Project Transaction, NWC Project Transaction, and West Kimberley Variation
TT Tenements	Tenements E04/1972 and E04/2314
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VRM	Valuation Resource Management Pty Ltd
VWAP	Volume Weighted Average Price
WA	Western Australia
West Kimberley Project	Numerous tenements in the West Kimberley region subject to joint venture agreements with IGO
West Kimberley Variation	The variation to terms related to the areas of interest within the West Kimberley Project



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The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia



## Appendix 2 - Independent Valuation report prepared by VRM

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**VALUATION and  
RESOURCE  
MANAGEMENT**

Consultants in valuation  
and economic geology

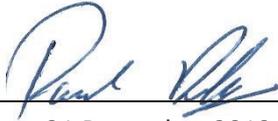
**INDEPENDENT TECHNICAL SPECIALISTS REPORT  
& VALUATION for the  
WEST KIMBERLEY JOINT VENTURES of  
BUXTON RESOURCES LIMITED**

**December 2019**

**Report Commissioned by BDO Corporate Finance**

Valuation Date: 1 December 2019  
Report Date: 31 December 2019  
Primary Author: Paul Dunbar

Distribution:  
BDO Corporate Finance (WA) Pty Ltd  
Buxton Resources Ltd  
Valuation and Resource Management Pty Ltd

Document Reference	BUX VALMIN Report 2019 Final.pdf	
Distribution	BDO Corporate Finance (WA) Pty Ltd Buxton Resources Ltd Valuation and Resource Management Pty Ltd	
Principal Author	Paul Dunbar BSc Hons (Geology) MSc (MINEX) M AusIMM M AIG	 Date: 31 December 2019
Contributors	Deborah Lord F AusIMM, M AIG, G AICD	
Valuation Date	1 December 2019	

## Executive Summary

BDO Corporate Finance (WA) Pty Ltd commissioned Valuation and Resource Management Pty Ltd (ABN 12 632 859 780) (VRM) to prepare an Independent Technical Assessment and Valuation Report (“the Report” or the ITAR) of the various Joint Ventures (JVs) in the West Kimberley region of Western Australia owned by Buxton Resources Ltd (ASX: BUX) (Buxton or the Company).

The Report provides an opinion to support an Independent Expert’s Report to be completed by BDO, and has been prepared as a public document, in the format of an independent specialist’s report and in accordance with the 2015 VALMIN Code.

This Report is a technical review of the Buxton West Kimberley JV projects including the Merlin and Quick Shears Projects. The main party to JVs is Independent Newsearch Pty Ltd (INPL) a wholly owned subsidiary of Independence Group NL (IGO), Mr Timothy Tatterson and Buxton. The projects all early stage exploration tenements located in northern Western Australia.

The Report includes a technical evaluation of the exploration projects and a fair market valuation of the projects. In accordance with the VALMIN Code VRM has undertaken several valuation methods for each of the projects. Importantly, as neither the principal author nor VRM hold an Australian Financial Services Licence, this valuation is not a valuation of Buxton but rather a valuation of the Mineral Assets owned or held in JV by the Company.

This valuation is current as of 1 December 2019. Buxton and IGO entered into an acquisition and JV agreement for the Merlin Project and the New World Cobalt (NWC) project tenements and announced the modifications to the JVs in the West Kimberley on 2 October 2019. The terms of these JVs are all included in the Buxton Australian Securities Exchange (ASX) releases of 2 October 2019.

As commodity prices, exchange rates and cost inputs fluctuate over time this valuation is subject to change. The valuation derived by VRM is based on information provided by Buxton along with publicly available data including stock exchange releases (ASX) and public data obtained from various sources including government geological surveys. VRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading. The default currency is Australian dollars. As with all valuations the valuation included in this Report is the likely fair market value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range providing an indication of the accuracy of the valuation.

VRM considers the Merlin Project to be have a fair market value of between **\$1.64 million** and **\$2.13 million** with a preferred value of **\$1.88 million**, the Fissure tenement to have a value between **\$0.15 million** and **\$0.32 million** with a preferred value of **\$0.23 million** while the Quick Shears tenements have a value of between **\$0.45 million** and **\$0.95 million** with a preferred value of **\$0.70 million**. On these valuations the equity being divested by Buxton to IGO is considered to have a value of between **\$0.83 million** and **\$1.09 million** with a preferred valuation of **\$0.96 million** for the Merlin Project, the Fissure project equity is worth between **\$0.12 million** and **\$0.25 million** with a preferred valuation of **\$0.19 million** while the Quick Shears project equity is worth between **\$0.29 million** and **\$0.60 million** with a preferred valuation of **\$0.45 million**. These valuations have been derived by a Geoscientific or Kilburn method with supporting valuations being determined by considering comparable transactions for similar early stage exploration projects targeting intrusive related nickel – copper mineralisation on an area basis and a prospectivity enhancement multiplier (PEM) valuation.

## Contents

Executive Summary.....	i
Contents.....	ii
List of Figures .....	iii
List of Tables .....	iii
1. Introduction .....	4
1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides.....	4
1.2. Scope of Work .....	4
1.3. Statement of Independence.....	5
1.4. Competent Persons Declaration and Qualifications .....	5
1.5. Reliance on Experts .....	6
1.6. Sources of Information.....	6
1.7. Site Visit.....	6
2. Mineral Assets.....	6
3. Buxton Mineral Assets .....	7
3.1. Mineral Tenure .....	8
3.1.1. Joint Ventures.....	8
3.2. West Kimberley Joint Venture Projects.....	9
3.2.1. Location and Access.....	9
3.2.2. Regional and Local Geology.....	9
3.2.3. Recent Exploration Activities.....	12
3.2.4. Mineral Resource and Ore Reserves Estimates.....	15
4. Valuation Methodology .....	16
4.1. Previous Valuations .....	17
4.2. Valuation Subject to Change .....	17
4.3. General assumptions.....	17
4.4. Market Based Valuations.....	17
4.4.1. Base and Precious Metal Markets .....	18
4.5. Valuation of Advanced Projects .....	19
4.5.1. Comparable Market Based Transactions.....	19
4.6. Exploration Asset Valuation .....	19
4.6.1. Geoscientific (Kilburn) Valuation.....	20
4.6.2. Prospectivity Enhancement Multiplier Valuation .....	21
5. West Kimberley Joint Venture Valuation.....	22
5.1. Comparable Transactions – Area Based Multiples.....	22
5.2. Geoscientific Valuation.....	23
5.3. Prospectivity Enhancement Multiplier Valuation .....	25
5.4. West Kimberley Joint Venture Royalties .....	26
6. Risks and Opportunities .....	26
7. Preferred Valuations .....	27
8. Conclusion.....	29
9. References .....	31
10. Glossary.....	31
11. Appendices.....	36
Appendix A – Buxton Tenement Schedule.....	36
Appendix B – Comparable Transactions .....	37
Appendix C– Buxton West Kimberley Joint Ventures Geoscientific (Kilburn) Rankings .....	40
Appendix D– Buxton West Kimberley Joint Ventures Previous Expenditure and PEM valuation .....	41

## List of Figures

Figure 1 Location of the Buxton West Kimberley Joint Venture Projects, in red, northern Western Australia .....	7
Figure 2 Existing West Kimberley Infrastructure .....	10
Figure 3 Regional geology of the west Kimberley area, showing major tectonic units and outlines of 1:250 000 map sheets (from Hassan, 2004 modified from Tyler and Hocking, 2002) .....	11
Figure 4 Geology of the Hooper Complex (King Leopold Orogen) showing tenement outlines and the Merlin Project location .....	12
Figure 5 Simplified geology of the Hooper Complex (King Leopold Orogen) showing distribution of historic orthomagmatic mineralisation (Hassan, 2004).....	13
Figure 6 Plan of the Merlin Prospect showing drill holes collars and traces in relation to interpreted geology and EM conductors. ....	14
Figure 7 Plan of the Quick Shears and Merlin Prospects showing interpreted prospective magmatic Ni-Cu corridor (black dashed lines) and location of EM conductors over high-resolution gravity data at Merlin and regional gravity data elsewhere.....	15
Figure 8 Plan of the Buxton / IGO Joint Venture tenure over the King Leopold Orogen (dark grey). The areas of recent regional EM surveys are depicted as green polygons including the Sentinel, Baracus and Quick Shears / Fissure areas. ....	16
Figure 9 Valuation Summary Merlin, Fissure and Quick Shears Projects .....	30

## List of Tables

Table 1 VALMIN Code 2015 valuation approaches suitable for mineral projects .....	16
Table 2 Ranking criteria are used to determine the geoscientific technical valuation.....	21
Table 3 Prospectivity Enhancement Multiplier (PEM) ranking criteria .....	22
Table 4 West Kimberley Joint Ventures Comparable Transaction Valuation .....	23
Table 5 Technical Valuation for the Buxton Joint Venture Projects in the West Kimberley .....	24
Table 6 Fair Market Valuation for the Buxton Joint Venture Projects in the West Kimberley.....	24
Table 7 Fair Market Valuation for the Potential IGO Equity in the Joint Venture Projects .....	24
Table 8 PEM Valuation Merlin JV and the Fissure and Quick Shears tenements .....	25
Table 9 PEM Valuation IGO Equity of the Merlin JV and the Fissure and Quick Shears tenements ....	25
Table 10 Fair Market PEM Valuation Merlin JV and the Fissure and Quick Shears tenements .....	26
Table 11 Fair Market PEM Valuation of the interest being acquired by IGO in the Merlin JV and the Fissure and Quick Shears tenements.....	26
Table 12 Valuations Summary .....	28
Table 13 VRM's valuations of the Merlin, Fissure and Quick Shears Joint Venture Projects .....	28

## 1. Introduction

Valuation and Resource Management Pty Ltd (ABN 12 632 859 780) (VRM) was engaged by BDO Corporate Finance (WA) Pty Ltd (BDO) to undertake an Independent Technical Assessment and Valuation Report (ITAR) on the Merlin and New World Cobalt Joint Ventures (JV's) in the West Kimberley, owned or partly owned by Buxton Resources Limited (Buxton). This Report is required due to a proposed transaction as announced by Buxton on 2 October 2019. The transaction involves Independence Group Limited (IGO), a significant shareholder in Buxton and the IGO subsidiary, Independent Newsearch Pty Ltd (INPL), entering into a JV with Buxton on several JV projects where Buxton have a majority interest in the JV's.

VRM understands that this ITAR will be included in the Independent Experts Report (IER) being prepared by BDO to determine the merit of the proposed transaction and that BDO will append this report to their Independent Experts Report (IER) evaluating if the proposed Joint Ventures are fair and reasonable for the Buxton shareholders excluding IGO.

The valuation date has been determined as being 1 December 2019.

### 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR has been prepared in accordance with the 2012 JORC and the 2015 VALMIN Codes. Both of these industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investment Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is as a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Buxton to VRM and additional publicly available information.

### 1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects in compliance with the JORC and VALMIN Codes. These require that the Public Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the ITAR based upon the principle of reviewing and interrogating both the work of Buxton, IGO and independent specialists who have contributed to the technical information available for the projects. This report is a summary of the work conducted, completed and reported by the various companies to 1 December 2019 and is based on information supplied to VRM by Buxton, its advisors and information that is in the public domain, to the extent required by the 2012 JORC Code and the 2015 VALMIN Code.

VRM has prepared an Independent Valuation of the mineral projects all, located in Western Australia.

VRM understands that its review and valuations will be relied upon and appended to a report by BDO for inclusion in an IER prepared to assist shareholders in their decision regarding the approval of the proposed JV. As such, it is understood that VRM's review and valuation will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the Australasian

Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code, 2015).

### 1.3. Statement of Independence

VRM, the trading name of Valuation and Resource Management Pty Ltd, was engaged to undertake an ITAR, including a valuation of the West Kimberley JVs of Buxton. The Report does not value the other mineral assets owned by Buxton. This work has been conducted in accordance with the 2012 JORC and the 2015 VALMIN codes. In addition to these industry codes the work also complies with ASIC Regulatory Guideline 111 – Content of Expert Reports (RG111) and ASIC Regulatory Guidelines 112 Independence of Experts (RG112).

Mr Paul Dunbar of VRM, has not had any association with Buxton, its individual employees, or any interest in the securities of BUX which could be regarded as affecting the ability to give an independent, objective and unbiased opinion. Neither VRM nor Mr Dunbar hold an Australian Financial Services Licence (AFSL) and the valuation contained within this report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated at \$23,000.

Ms Deborah Lord of VRM assisted with compilation of geology and exploration history of the mineral assets and peer review of the Report. Ms Lord has not had any association with Buxton, its individual employees, or any interest in the securities of BUX which could be regarded as affecting the ability to give an independent, objective and unbiased opinion.

### 1.4. Competent Persons Declaration and Qualifications

This report was prepared by Mr Paul Dunbar as the primary author with support from Ms Deborah Lord.

The primary author of the report and information that relates to geology, exploration and the mineral asset valuation is based on information compiled or overseen by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Director and Principal of VRM, Consultants in Valuation and Economic Geology, which has been engaged by BDO. Mr Dunbar has a Master of Science in Mineral Exploration and Mineral Economics and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a specialist under the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the 2015 VALMIN Code). Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to geology and exploration history is based on information compiled by Ms Deborah Lord, BSc (Hons), a Competent Person who is a fellow of the AusIMM and a member of the AIG. Ms Lord is a Director and Principal of VRM, Consultants in Valuation and Economic Geology, and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the JORC Code 2012 edition. Ms Lord consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### 1.5. Reliance on Experts

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining within Western Australia. VRM has interrogated the websites of the Western Australian Department of Mines Industry Regulation and Safety (DMIRS), various other state departments to confirm the validity of the tenements and aspects relating to the compliance with the various government acts. All have confirmed that the tenements are reported as being in good standing and that all tenement matters including annual reports, rents and renewals have been lodged and are progressing in accordance with the Mining Act. As VRM and the authors of this report are not experts in the Mining Acts, no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

### 1.6. Sources of Information

For Buxton's West Kimberley JV Projects VRM has relied upon the following reports and information;

- Various Buxton ASX releases including exploration results
- Buxton Quarterly Reports and Annual Reports
- ASX releases from other companies that have previously explored the areas
- Publicly available information and regional datasets including
  - geological mapping, interpretation,
  - reports,
  - geophysical datasets and
  - Mineral Deposit information.

The technical data was reviewed at a high level, however full due diligence was not undertaken.

All information and conclusions within this Report are based on information made available to VRM and other relevant publicly available data to 1 December 2019. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary.

VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Buxton as detailed in the reference list. A draft of this report has been provided to Buxton (via BDO) to identify and address any factual errors or omissions prior to finalisation of the report. The valuation sections of the report were not provided to the until the technical aspects were validated and the report was declared final.

### 1.7. Site Visit

VRM has assessed the requirement for a site visit to each of the projects. As all of the projects are early stage exploration assets it is considered that a site visit would not reveal any information that would be considered material in determining the valuation of the projects nor would a site visit materially modify the assumptions or content of this report.

## 2. Mineral Assets

The mineral assets that are included in this Report and valuation include the Merlin and New World Cobalt (NWC) JV's. These joint ventures are all majority owned by Buxton and all located in northern

Western Australia (Figure 1). Also shown in Figure 1 are the other Buxton and IGO Joint Ventures in the West Kimberley region.



**Figure 1 Location of the Buxton West Kimberley Joint Venture Projects, in red, northern Western Australia**

### 3. Buxton Mineral Assets

Buxton’s mineral assets include several JVs in the West Kimberley of northern Western Australia, one JV in the Albany Fraser province of eastern Western Australia and multiple tenements elsewhere in Western Australia. This Report is limited to two of the four JVs in the West Kimberley region of Western Australia, they are all considered to be early stage exploration projects with several encouraging drill intersections and outcropping mineralisation within several distinct prospects. The projects included in this report and valuation include the Merlin and New World Cobalt (NWC) JVs along with a modification to the West Kimberley JV announced in November 2018.

The mineral tenure, including the JV terms, royalties and significant aspects of the tenements for all the West Kimberley JV projects are documented in Section 3 with a detailed tenements list included

in Appendix A. Due to all the JV's having similar regional geology, access, infrastructure and climate these have been combined and detailed below. The exploration history and recent exploration results for each of the JVs are detailed separately.

### 3.1. Mineral Tenure

The fifty mineral tenements within the West Kimberley that include the Merlin and New World Cobalt JV's. These tenements cover a total of 3,816km<sup>2</sup> of the West Kimberley in northern Western Australia. The tenements consisting of 24 granted exploration licences, 25 exploration licence applications and one prospecting licence details are included in Appendix A. This Report is limited to the three tenements of the Merlin JV and the three tenements of the New World Cobalt JV. The NWCJV consists of three tenements with two of these tenements (termed the Quick Shears tenements) are a JV between Buxton and the vendor Mr T Tatterson while the third tenement (termed Fissure tenement) is 100% beneficially owned by Buxton. Under the proposed transaction with IGO, Buxton would hold 20% in the Fissure tenement while Buxton would hold 16% in the Quick Shears tenements, IGO would hold 80% and 64% respectively.

All the tenements associated with the Merlin and the New World Cobalt JV's are granted.

The tenements have been validated by VRM reviewing the tenement information provided by Buxton and comparing this with the official tenement register from the Western Australian DMIRS. VRM has checked the list provided by Buxton against the tenement schedule from the DMIRS mineral titles online database and a download of the current tenements also sourced from the DMIRS online data portal. There were five tenements that were listed in the 2019 Buxton September Quarterly Report which were surrendered in August 2019 while an additional three tenements were detailed as surrendered in the quarterly report were included in the tenement schedule provided to VRM by Buxton. All of the surrendered tenements were excluded from this report and valuation. It is the tenement area and tenement schedule sourced from DMIRS which was used to in this report.

The tenements were all found to be in good standing with statutory reports and regulatory documents lodged to DMIRS within the required timeframes.

The tenements are held by several parties including Buxton Resources Ltd, Fissure Exploration Pty Ltd, Alexander Creek Pty Ltd and Timothy Vincent Tatterson. The owners of these tenements are all included in the various JV agreements as announced by Buxton in its various ASX releases.

#### 3.1.1. Joint Ventures

There are four JV's in the West Kimberley region. Two have been reviewed as a part of this Report, those being the Merlin JV (MJV) and the New World Cobalt JV (NWCJV) while the terms of the West Kimberley JV have been slightly modified at the same time the MJV and NWCJV agreements were executed.. These significant terms of these JV's summarised below and are all detailed in the Buxton ASX releases of 2 October 2019. The MJV is between Buxton (or its subsidiary Alexander Creek Pty Ltd (ACPL) and INPL a subsidiary of IGO while the NWCJV is between Buxton, Fission Pty Ltd, INPL and Mr T. Tatterson.

The original terms of the West Kimberley JV (WKJV) are detailed in the Buxton ASX release of 29 November 2018. The JV provides IGO has the right to earn up to 80% in the regional tenements held by Buxton by spending \$3 million over a four year period from 29 November 2018. Buxton will be free carried once IGO has acquired the initial 80% until the completion of a feasibility study. The modification to the original WKJV is associated with a royalty on new tenements that are applied for by IGO or any existing tenements that IGO acquires within an agreed area of influence.

The original option on the Merlin project was documented in the 29 November 2018 ASX release this option was updated to form the JV as documented in the 2 October 2019 ASX release. The Merlin JV consists of INPL purchasing 51% of the Merlin Project from ACPL. The purchase is proposed to be completed by IGO removing a requirement for Buxton to spend 80% of the November 2018 IGO placement on the Merlin tenements. Additionally, IGO has the right to earn up to 80% by sole funding \$5 million at which point ACPL will be free carried to the completion of a feasibility study. The On completion of a feasibility study ACPL will be required to contribute JV expenditure in proportion with its holding in the JV.

The initial NWCJV between New World Cobalt Limited, Mr T. Tatterson and Buxton was initially detailed in the Buxton ASX release of 6 November 2018 with the JV with IGO documented in the Buxton ASX release of 2 October 2019. IGO can acquire 80% of one of the NWCJV tenements (Fissure Pty Ltd tenement (E04/2423)) and 64% of the Tatterson (Quick Shears) tenements (E04/1972 and E04/2314). In this JV Buxton is selling 80% of its JV interest in the NWCJV for \$1 million with additional milestone payments totalling \$1.5 million). Therefore, IGO can acquire 64% of beneficial interest in the Quick Shears tenements and 80% in the Fissure tenement. Buxton will be free carried to the completion of a feasibility study while Mr Tatterson will be free carried to a decision to mine. This transaction also details the sale of field equipment.

### 3.2. West Kimberley Joint Venture Projects

The West Kimberley Joint Venture projects consists of four separate Joint Ventures being the MJV, NWCJV, Baracus JV and West Kimberley JV. These JV's are detailed in several ASX releases including the ASX release 2 October 2019 (MJV, NWCJV, and regional area of influence), 9 July 2019 (Baracus JV) and 29 November 2018 (West Kimberley JV). This report is limited to the NWCJV and the MJV and the royalty associated with the area of influence associated with the WKJV.

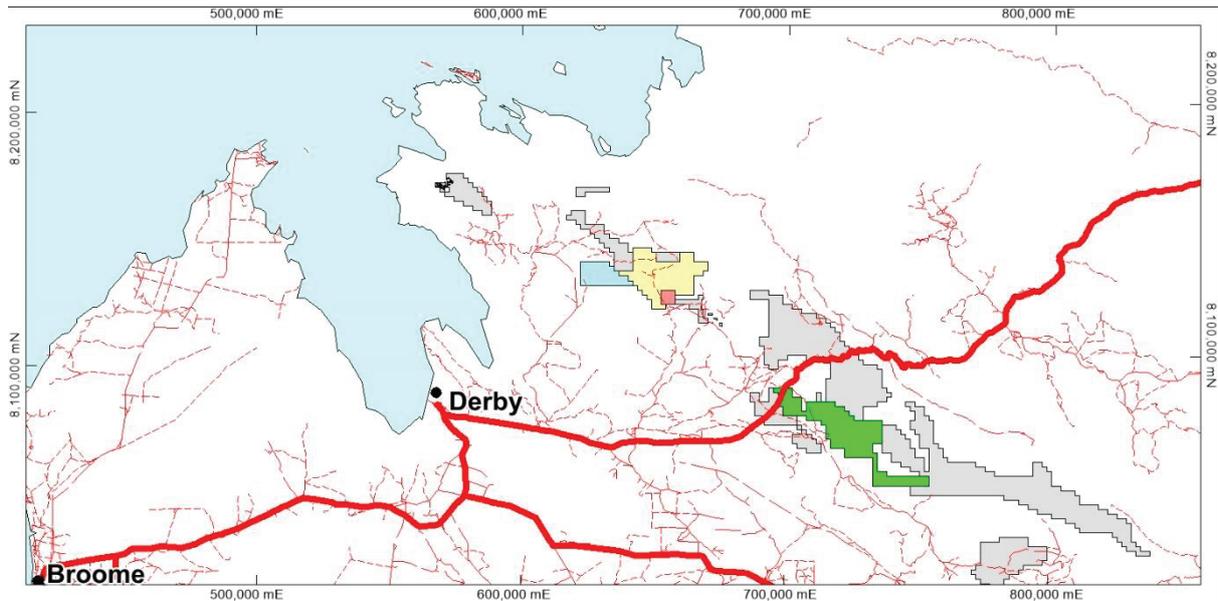
#### 3.2.1. Location and Access

The West Kimberley Joint Venture Projects are located in the West Kimberley of northern Western Australia. They are located between 80km to the north east and 260km to the east of Derby and approximately 1,860km north north east of Perth. The project tenements are accessible from Broome via the Great Northern Highway then either via the Derby – Gibb River road or the eastern extent of the Great Northern Highway toward Fitzroy Crossing. Access from these main roads is predominantly via station tracks. There are very few other tracks and no infrastructure in the area. Other than the Great Northern Highway all other tracks are unsealed gravel roads which are impassable after even minor rainfall events.

The JV's include the West Kimberley (grey), New World Cobalt (NWC) (yellow (Quick Shears) and blue (Fission)), Merlin (pink) and Baracus (green) projects

#### 3.2.2. Regional and Local Geology

The Merlin Nickel-Copper Project and the West Kimberley Joint Venture Projects are in the King Leopold Orogen in the west Kimberley area in the north of Western Australia. The King Leopold Orogen is the oldest tectonic unit in the region, comprising Paleoproterozoic metasedimentary and igneous rocks of the Hooper Complex and deformed margin areas of the Paleoproterozoic Speewah and Kimberley Basins (Hassan, 2004). To the north, the Speewah and Kimberley Basins extend across the Kimberley craton and are overlain in parts by Mesoproterozoic and Neoproterozoic sedimentary units. While to the south the Phanerozoic Canning Basin, overlies the Hooper Complex (Figure 3). The Hooper Complex is a continuation of the Western Zone of the Lamboo Complex of the east Kimberley region.



Source Government infrastructure and topographic datasets.

**Figure 2 Existing West Kimberley Infrastructure**

The Merlin Project is situated 100 kilometres east of Derby in the western part of the King Leopold Orogen within the Ruins Dolerite. The West Kimberley JV Projects extend to the northwest and to the southeast of the Merlin Project is several non-contiguous groups focused on the Marboo Formation and the Ruins Dolerite, as well as the Whitewater Volcanics and granitoids of the Paperbark Supersuite (Figure 4).

The Marboo Formation comprises metamorphosed turbiditic sandstone, siltstone and mudstone and felsic volcanic rocks. Based on SHRIMP U-Pb dating of detrital zircon, the maximum age of deposition of the Marboo Formation is circa 1870Ma, and the minimum age is provided by a high-level intrusive stock in the Marboo Formation dated as 1858 +/-5Ma (Hassan, 2004).

The Whitewater Volcanics unconformably overlie the Marboo Formation and are dated at circa 1855Ma using SHRIMP U-Pb geochronology. These consist of dacitic to rhyolitic ignimbrites, minor lava flows, tuffs and volcanogenic sedimentary units (Hassan, 2004).

The Ruins Dolerite is composed of seven steeply dipping, layered mafic intrusions averaging 270m in thickness.

The Hooper Orogeny affected all of the above formations and units and is expressed as several discrete phases of deformation and textural fabrics with associated greenschist facies metamorphism, ranging up to granulite facies during the second period of deformation.

The West Kimberley region hosts a range of mineral commodities and variety of mineralisation styles. The Lennard Shelf Project (Mississippi Valley Type) was a major producer of zinc and lead. Diamond mining of the Ellendale lamproites commenced in 2002 as Australia's second diamond mine. High grade iron ore has been mined from coastal areas of the West Kimberley region as well as there being occurrences of tungsten, tin, gold, bauxite, uranium, coal and nickel, along with a number of industrial minerals throughout the region.

In terms of copper – nickel mineralisation, gossans were identified as early as 1902 in the Ruins Dolerite. Historical drilling in the late 1960s intersected the dolerite and disseminated mineralisation at Limestone Springs, the location of which appears to correspond with the Merlin Project (

).

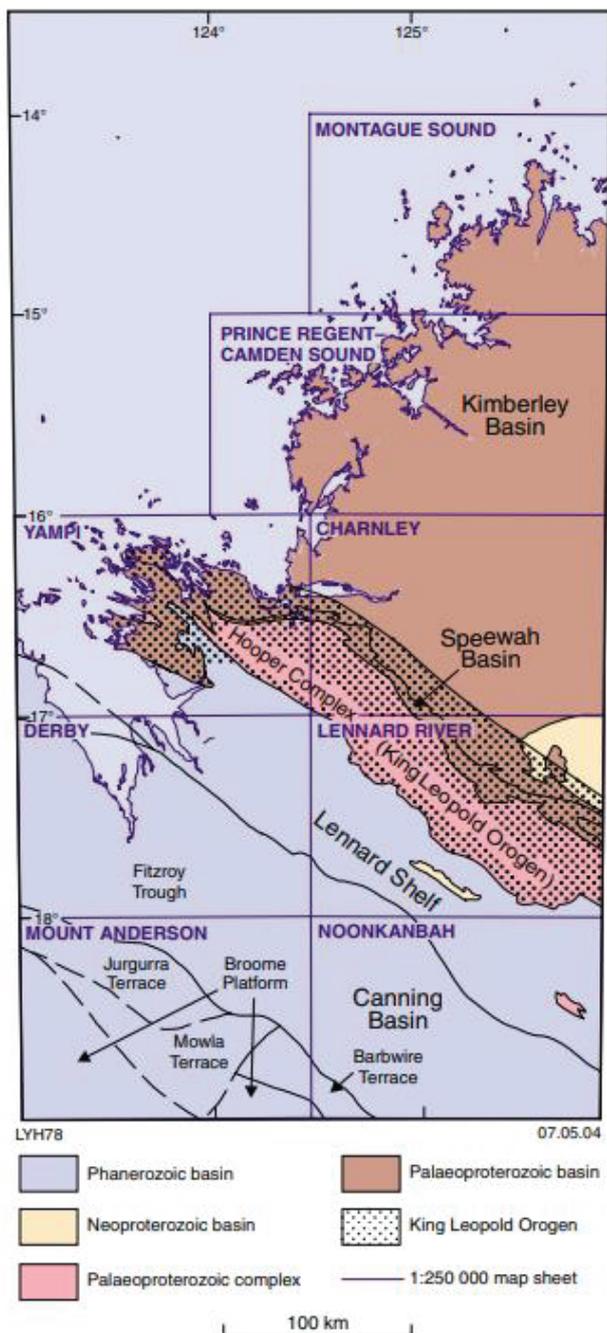
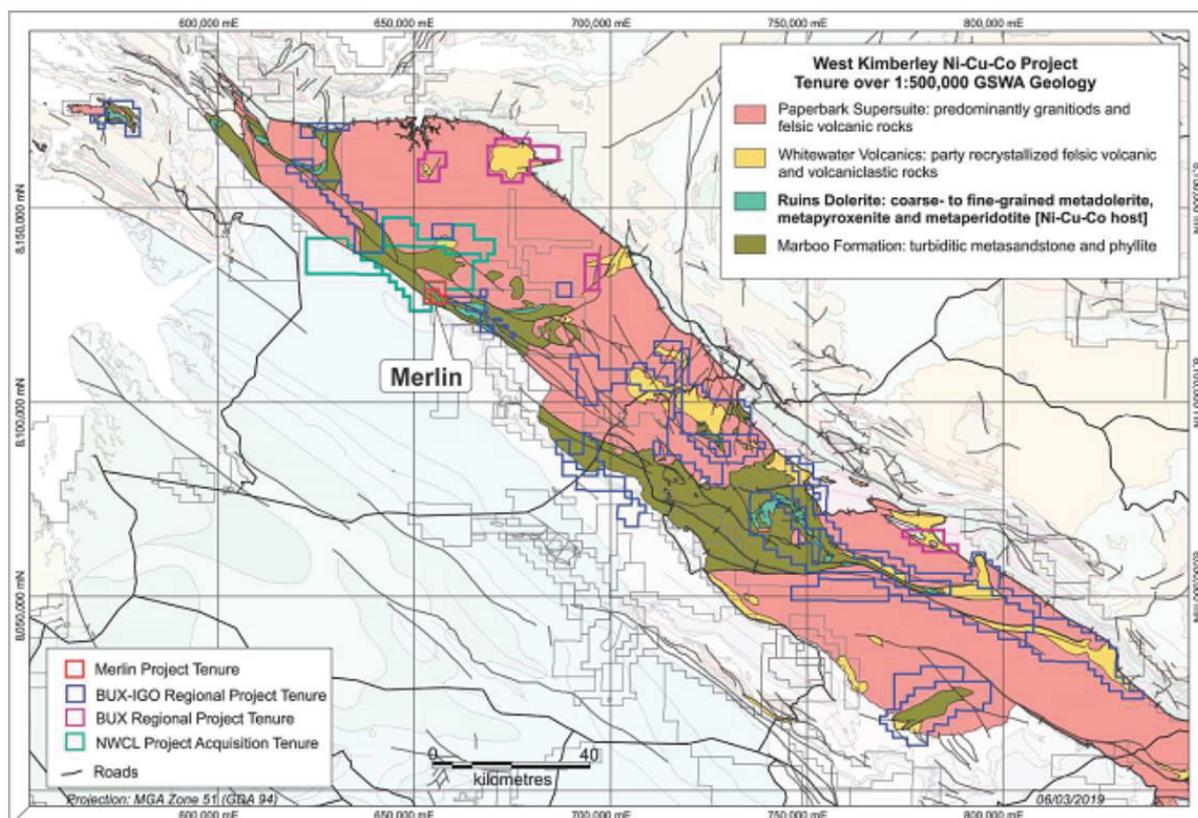


Figure 3 Regional geology of the west Kimberley area, showing major tectonic units and outlines of 1:250 000 map sheets (from Hassan, 2004 modified from Tyler and Hocking, 2002)



(Source Buxton website)

**Figure 4 Geology of the Hooper Complex (King Leopold Orogen) showing tenement outlines and the Merlin Project location**

More recently mineral systems analysis in the West Kimberley by the Geological Survey of Western Australia and the Centre for Exploration Targeting at the University of Western Australia, identified key geological elements that lead to mineral prospectivity and generated summary maps outlining new regions for mineralisation targeting. Modelling results indicated the Inglis Fault and a northeast trending fault contribute to higher nickel sulphide potential and the Marboo Formation contributes to higher base metal prospectivity. This project also considered that the West Kimberley remains an underexplored region and identified areas with high nickel sulphide and intrusion related base metal potential for ongoing exploration (Lindsay et al, 2014).

### 3.2.3. Recent Exploration Activities

(Buxton ASX releases dated 2 October 2019, 31 July 2019, 9 July 2019, 4 June 2019, 28 May 2019, 30 April 2019, 11 March 2019, 31 October 2018)

#### Merlin Project

In 2018, Buxton undertook drilling at the Merlin (Double Magic) prospect targeting geophysical targets. All holes from the 2018 drilling (Figure 6) intersected visible nickel-copper sulphide mineralisation, including several occurrences of brecciated massive sulphide with coarse grained pentlandite and chalcopyrite.

In late-2018, Buxton entered into binding agreements with IGO to accelerate exploration, and a joint technical committee was established. All previous data sets were reviewed and IGO conducted reprocessing of geophysical data.

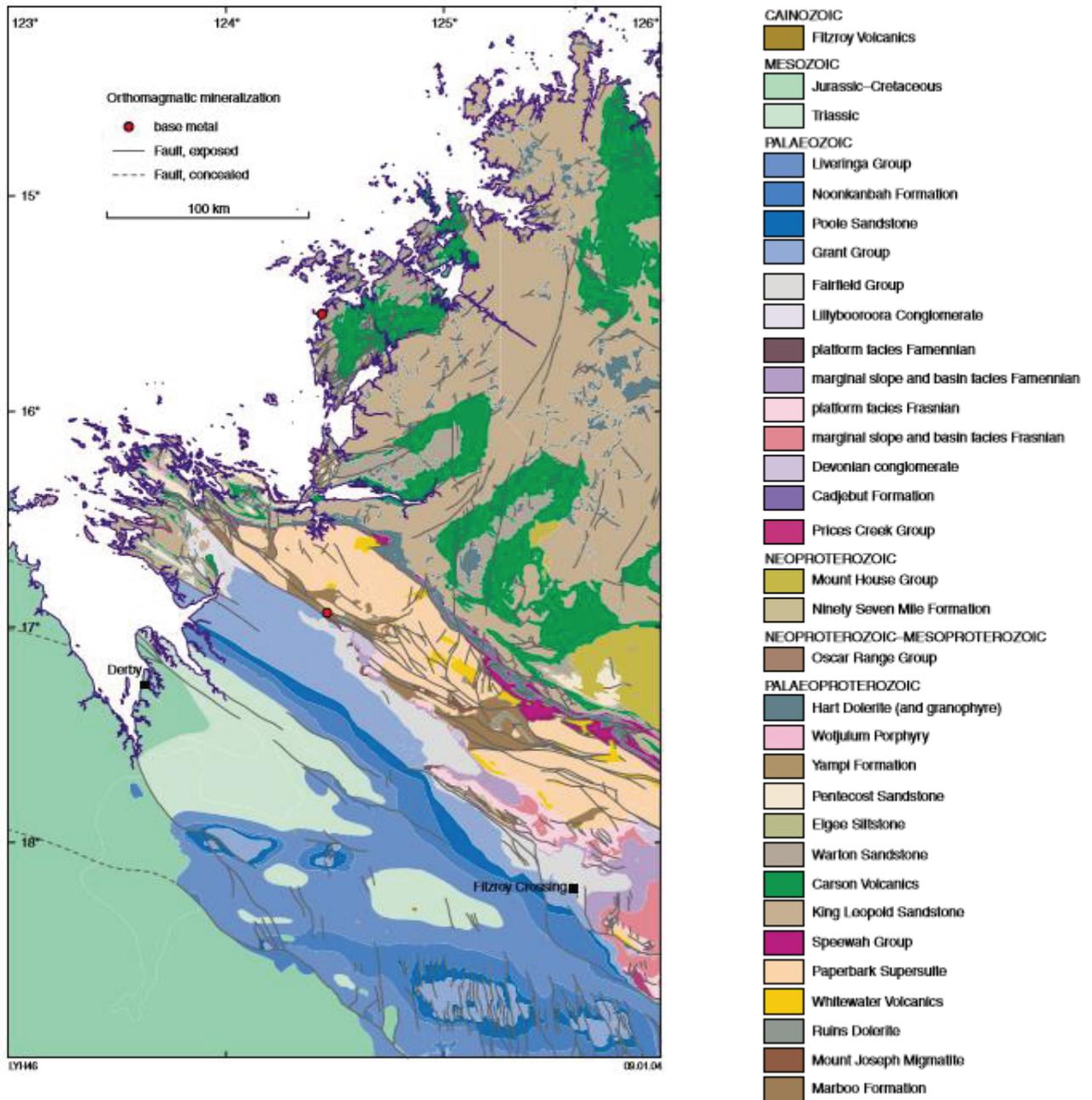
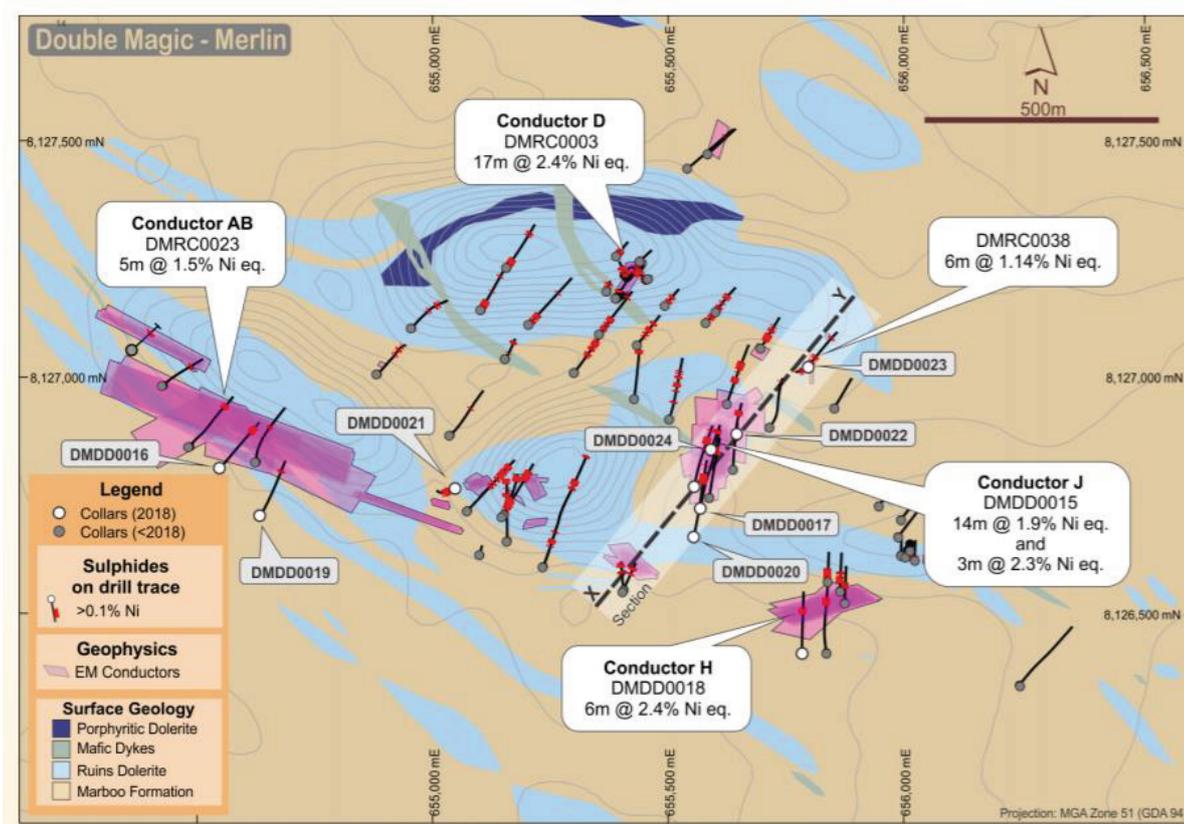


Figure 5 Simplified geology of the Hooper Complex (King Leopold Orogen) showing distribution of historic orthomagmatic mineralisation (Hassan, 2004)

Buxton also entered an agreement to acquire ground adjacent to Merlin to form a contiguous land package covering the potential strike extension of Merlin to the northwest within the Ruins Dolerite. Exploration carried out at the Quick Shears Project is summarised below.

At Merlin in 2019 a systematic, detailed ground moving loop electromagnetic (MLEM) survey was subsequently completed which confirmed previously identified conductors, including those seen only by down hole geophysical techniques as well as identifying a new deep source conductor. The survey covered 17km<sup>2</sup> and was aimed at detecting any deep conductive targets beneath the current level of drill testing. Untested 2018 downhole EM plates also remain to be tested.



(Source BUX ASX releases 31 July 2019 and 11 March 2019)

**Figure 6 Plan of the Merlin Prospect showing drill holes collars and traces in relation to interpreted geology and EM conductors.**

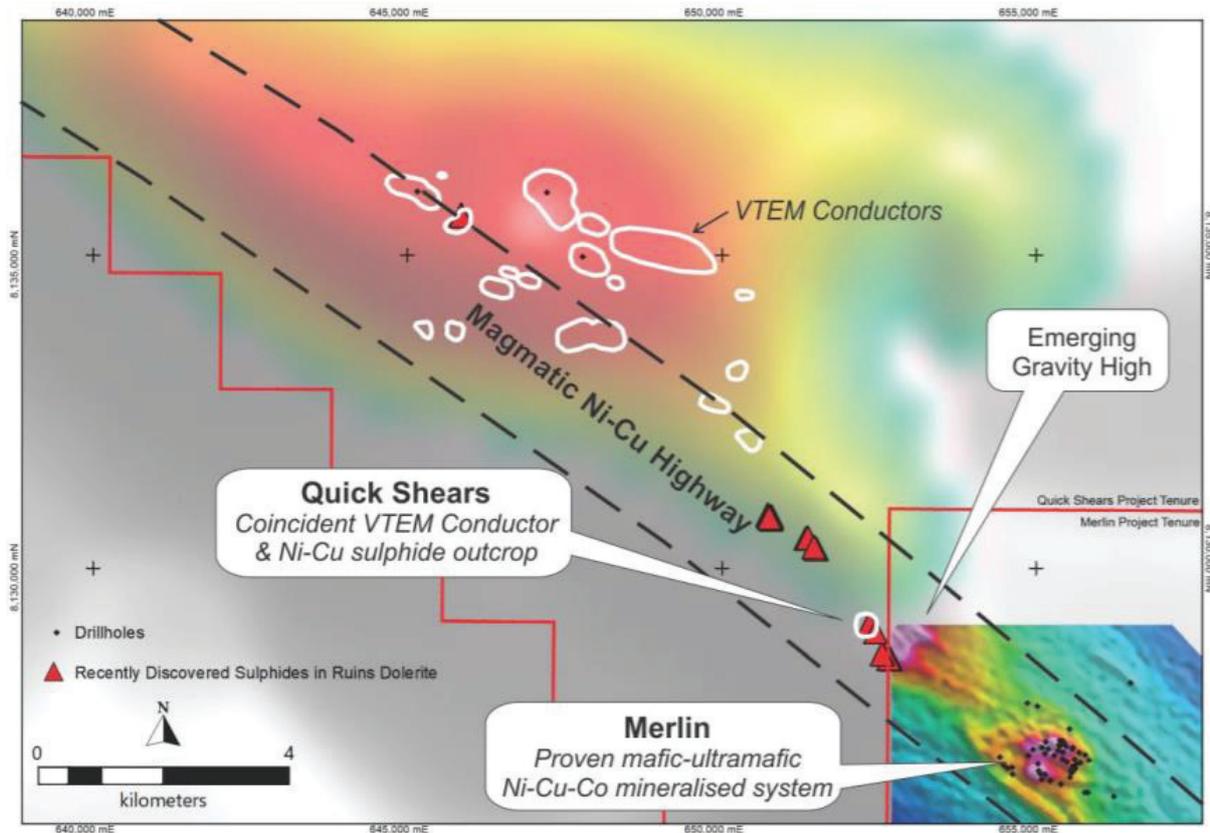
Deep diamond drilling will be required to locate the source of the deep conductor, interpreted to be at more than 600m depth. Step back drilling to considerable depths will be required targeting geological intercepts beneath existing mineralisation and providing platforms for down-hole EM targeting.

### Quick Shears

In early 2019, Buxton announced the discovery of outcropping nickel-copper sulphides in their recently acquired tenure (EL04/1972) adjacent to Merlin and named the project Quick Shears. The mapping and associated rock chip sampling analyses demonstrated pyrrhotite and chalcopyrite bearing rocks with elevated nickel and copper results corresponding to an area of a regional gravity high (Figure 7). Sulphides were initially observed at several locations over a strike length of approximately one kilometre, with the prospect being about five kilometres from the centre of Merlin.

The mid-2019 completion of ground EM surveys (low temperature 'SQUID' MLEM) (26km<sup>2</sup>) and reconnaissance aircore drilling (3016m) was undertaken to follow up surface mapping and outcropping nickel -copper sulphide occurrences. The drilling provided hand-held XRF data from samples through the Ruins Dolerite and Marboo Formation that are located beneath shallow cover and provided geological information to assist with ranking of geophysical targets (Figure 7) for future exploration.

The MLEM survey provided context for previously identified untested anomalies that Buxton compiled based on the review of historical helicopter EM survey results. Two of these untested anomalies related to areas of Ruins Dolerite located adjacent to and along strike of the Merlin area. Compilation and data integration are continuing to generate future drilling targets.



(Source BUX Annual Report ASX release 27 September 2019)

**Figure 7 Plan of the Quick Shears and Merlin Prospects showing interpreted prospective magmatic Ni-Cu corridor (black dashed lines) and location of EM conductors over high-resolution gravity data at Merlin and regional gravity data elsewhere..**

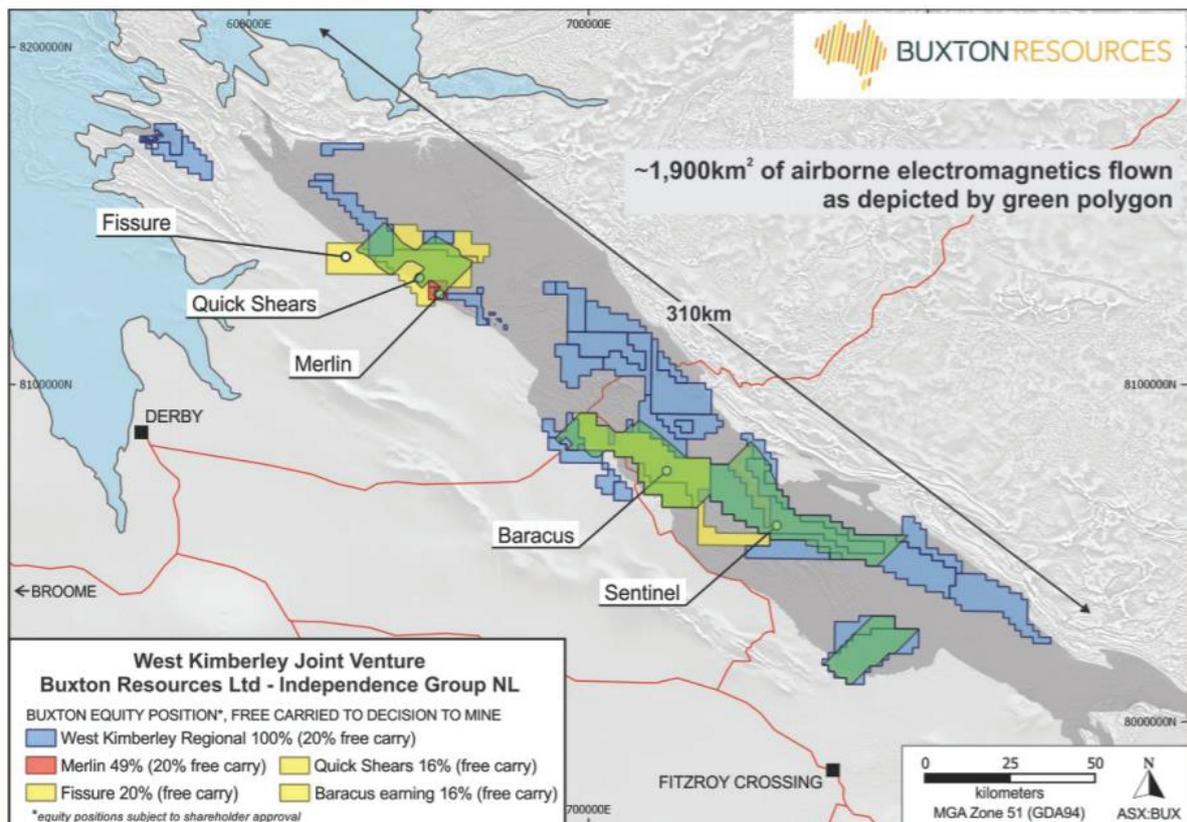
### Buxton – IGO Regional JV

The second half of 2019 saw Buxton / IGO complete a regional, belt-scale airborne EM survey (over an area of 1900km<sup>2</sup>) across the West Kimberley JV tenements (Figure 8). The survey identified numerous conductors and ground follow up has commenced, initially at the Sentinel area on EL04/2408. This is to be supplemented by an airborne magnetic / radiometric survey which is to commence soon, which will provide the first high-resolution information on rock types and structural settings (aside from a Buxton 2018 detailed survey at Sentinel) in underexplored areas of the JV. The Sentinel Project is located approximately 100 kilometres from Merlin and includes mapped Ruin Dolerite, occurrences of primitive ultramafic intrusions tapping deep mantle structures that may also be prospective for diamonds.

Analysis of the regional survey results is not yet advanced and will be further informed by the airborne magnetic results when these become available. Anomaly assessment, ranking and target generation is underway with testing to be conducted in the 2020 field season.

### 3.2.4. Mineral Resource and Ore Reserves Estimates

There are no Mineral Resources or Ore Reserves within the Joint Venture projects.



(source BUX ASX release dated 2 October 2019)

**Figure 8 Plan of the Buxton / IGO Joint Venture tenure over the King Leopold Orogen (dark grey). The areas of recent regional EM surveys are depicted as green polygons including the Sentinel, Baracus and Quick Shears / Fissure areas.**

#### 4. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for projects at various stages of the development pipeline. These include valuations based on market based transactions, income or costs as shown in Table 1 and provides a guide as to the most applicable valuation techniques for different assets.

**Table 1 VALMIN Code 2015 valuation approaches suitable for mineral projects**

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

From VALMIN Code 2015

As there are no Mineral Resources or Ore Reserves within any of the projects a comparable transaction valuation based on resource or reserve multiples are not possible. Additionally, VRM considers that an income valuation method is not appropriate for these projects.

There are however multiple targets within the projects at an early exploration and evaluation stage, these have been valued based on comparable transactions on a value per square kilometre with additional valuations being a PEM and a Kilburn or Geoscientific valuation.

#### 4.1. Previous Valuations

VRM has enquired to Buxton regarding any previous valuations that have been completed and are in the public domain. The company has confirmed that there are no recent valuations that are relevant to this valuation. VRM has also undertaken an extensive search to ensure there are no other valuations that have used the mineral assets of Buxton as a basis of that valuation.

There are no previous valuation reports that are relevant to this valuation.

#### 4.2. Valuation Subject to Change

The valuation of any mineral project is subject to several critical inputs most of these change over time and this valuation is using information available as of 1 December 2019 being the valuation date for this report. This valuation is subject to change due to variations in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the project, the current and future commodity prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of multiple aspects that could impact the valuation there are numerous factors that are beyond the control of VRM. This valuation assumes several forward-looking production and economic criteria which would be unreasonable for VRM to anticipate.

#### 4.3. General assumptions

Mineral Assets of Buxton are valued using appropriate methodologies as described in Table 1 in the following sections. The valuation is based on a number of specific assumptions detailed above, including the following general assumptions;

- That all information provided to VRM and its associates is accurate and can be relied upon,
- The valuations only relate to the West Kimberley JVs of Buxton and not Buxton Resources Limited nor their shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM by Buxton and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe
- That the owners of the mineral assets can obtain the required funding to advance the project as assumed,
- The commodity prices assumed (where it is used in the valuation) are as at 1 December 2019, being;
  - Copper US\$2.6599/lb (Bloomberg)
  - Nickel US\$ 6.2006/lb (Bloomberg)
- The US\$ - AUD\$ exchange rate of 0.67637 has been used (xe.com).
- All currency in this report are Australian Dollars (AUD\$), unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

#### 4.4. Market Based Valuations

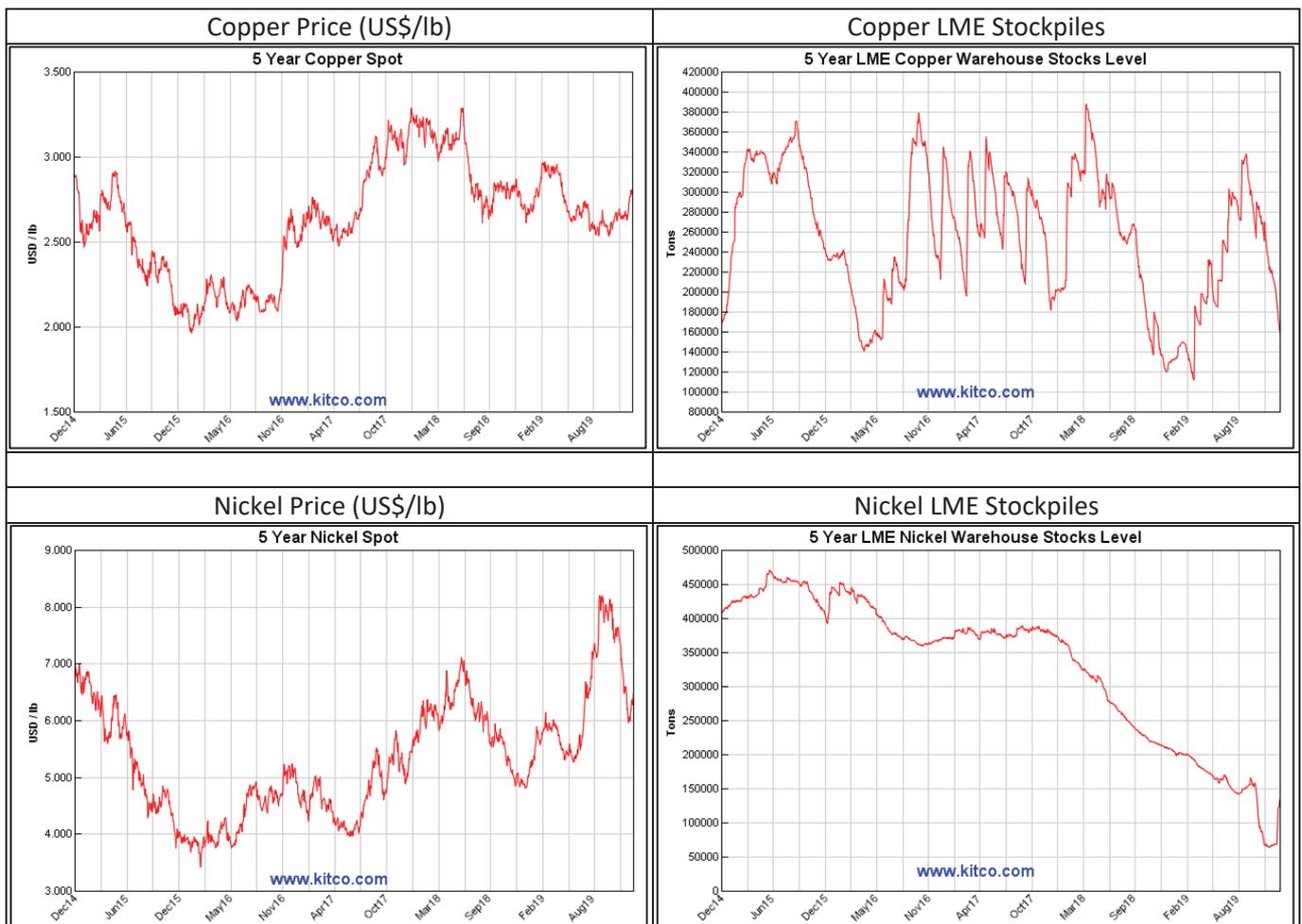
As most the projects being valued in this report are base metal projects it is important to note the current status of the base and precious metal markets prior to completing the valuation.

### 4.4.1. Base and Precious Metal Markets

Commodities being targeted by Buxton and its JV partners are dominated by base metals, predominantly nickel and copper in intrusive mafic and ultramafic rocks. These mineral systems generally have minor cobalt and other by product metals however the viability of any of these deposits is based on the copper and nickel content rather than any minor metals.

Below are several graphs sourced from Kitcometals.com of the metal prices over the past five years and the stockpiles of those metals on the London Metal Exchange (LME).

Overall the supply – demand fundamentals of the copper market which is linked to the overall global economic conditions and growth. The nickel demand is dominated by stainless steel production additional new demand being forecast from electrical vehicle (EV) and lithium ion battery production. One of the main metals in the modern EV batteries is nickel with a shift toward higher nickel as a proportion of the overall metals in the battery anodes. Even with the strong demand for copper the price is still significantly lower than the five year peak prices that occurred approximately 12 – 18 months ago. The current nickel price, while high has had a recent correction, probably due to the EV demand being lower than earlier expectations. Therefore, it is considered reasonable to discount the technical Kilburn or geoscientific valuations by 5% to determine the fair market value. Additionally, there is a significant delay between the identification of a mineral system or mineral resource and any development decision, it is that delay which creates the funding risks and the challenges in acquiring finance for early stage exploration projects.



## 4.5. Valuation of Advanced Projects

There are several valuation methods that are suitable for advanced projects these include;

- Financial modelling including discounted cash flow (DCF) valuations,
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

As there are no Mineral Resources or Ore Reserves estimated for any of the Joint Venture tenements or projects VRM considers an income based approach as being an unsuitable valuation method.

### 4.5.1. Comparable Market Based Transactions

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal (for projects with Mineral Resource Estimates reported) or on an area basis for non-resource projects. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable and the resources are reported according to an industry standard (like the JORC Code) but it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions. Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects, for example the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and Toronto Stock Exchange (TSX) releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Resources have been estimated but no Reserves or DCF or financial models have been completed. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions to those completed within the past two to three years in either the same geopolitical region or same geological terrain.

## 4.6. Exploration Asset Valuation

To generate an overall value of the entire project it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced projects (with reserves or resources) the most significant value drivers for the overall project are the Resources or Reserves for earlier stage projects a significant contributor to the projects value is the exploration potential. There are several ways to determine the potential of pre-resource projects, these being;

- A Geoscientific (Kilburn) Valuation
- Comparable transactions based on the projects' area
- Joint Venture Terms
- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as the described in the Comparable transactions' valuation for advanced projects section above other

than the transactional value is applied to the project's area rather than the resources. The JV terms valuation is similar to the comparable transactions based on the project area other than a discount to the JV terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the JV earn-in expenditure is not completed in the agreed timeframe. In the majority of the JV transactions that have been used in the comparable transactions the earn-in and JV expenditure have all been fully expended prior to the earn-in period, additionally as a large number of the transactions involve IGO with a committed exploration budget in VRM's opinion in this case it is reasonable to not discount the future expenditure commitments.

VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and therefore that is the primary valuation method used for early stage projects. The Geoscientific (Kilburn) Valuation method is checked using the other valuation methods with a preference toward Joint Venture terms and comparable transactions. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation.

#### 4.6.1. Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any mineral resources or reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential. While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly and by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors)

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 2 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) for each tenement are detailed in the valuation section of each of the projects.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and also the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 2 along with the base acquisition costs tabulated in the Appendices an overall technical valuation was determined.

The technical valuation was discounted to derive a fair market valuation. A market factor was derived to account for the environmental, land access and social risks of operating in Kimberley region and the status of the market to base and precious metal projects.

Operating in the Kimberley region of Western Australia has several geopolitical risks, usually environmental and permitting risks along with social and community risks and is expected to have an increased level of environmental compliance and approvals risks.

In addition to the jurisdictional risks there are also market based factors that can dramatically change the market valuation. Therefore, an additional discount has been applied for to account for the current state of the commodity price and general market sentiment toward base metal, in particular nickel and copper projects.

On that basis, the technical valuations are discounted by 5% for the market conditions while there has been a 15% discount applied as a result of the heritage, native title, land access and environmental challenges of working in the Kimberley region of Western Australia.

**Table 2 Ranking criteria are used to determine the geoscientific technical valuation**

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within tenement	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified, initial indications positive	Favourable geological setting
2.0	Resource targets identified	Exploration targets identified	Significant intersections - not correlated on section	Mineralised zones exposed in prospective host rocks
2.5				
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

#### 4.6.2. Prospectivity Enhancement Multiplier Valuation

As outlined in Table 1 above and in the VALMIN code a cost based or appraised value method is an appropriate valuation technique for an early stage exploration project. Under this method, the direct and valid previous exploration expenditure is assessed as either improving or decreasing the potential of the project. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the project. There are several alternate PEM factors that can be used depending on the specific project and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 3 below. VRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used as once a resource has been estimated it is, in the opinion of the author, preferable to use resource multiples for comparable transactions once a resource has been estimated. Table 3 documents the criteria and PEM used to determine the upper and lower valuation. The preferred valuation is the midpoint between the upper and lower valuations. Importantly the exploration expenditure is limited to the valid on ground expenditure that would either prove or disprove an exploration target or methodology and should exclude administration costs, costs associated with initially targeting a region and only costs that would be expected to be incurred in comparable exploration activities. VRM considers only expenditure for the past five years is appropriate due to the highly elevated valuations occurring should a project have an extensive history additionally the method should only be associated with costs incurred by the current owner. The acquisition cost can, on a case by case basis, be included in the PEM valuation.

**Table 3 Prospectivity Enhancement Multiplier (PEM) ranking criteria**

Range	Criteria
0.2 – 0.5	Exploration downgrade the potential
0.5 – 1	Exploration has maintained the potential
1.0 - 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

## 5. West Kimberley Joint Venture Valuation

The following joint ventures have been valued as a part of this ITAR;

- The MJV
- NWCJV
- The royalty associated with the WKJV area of influence.

The value of the project has been derived based on three valuation methods, being a comparable transaction (area based) multiple, a Kilburn or Geoscientific valuation and a Prospectivity Enhancement Multiplier (PEM) valuation. There has been a 40% discount applied to the PEM valuation to account for administrative costs from the form 5 expenditures (20% allowed to be included in the form 5), the high exploration costs incurred while operating in the Kimberley region, these additional costs are associated with land access, logistics and high drilling costs along with topographic and climatic challenges.

### 5.1. Comparable Transactions – Area Based Multiples

As detailed in Appendix B, VRM has reviewed a series of transactions that are considered broadly comparable to the West Kimberley JVs.

The comparable projects are early stage exploration projects with either known nickel occurrences or are adjacent to recently discovered nickel systems. A large number of these transactions are associated with exploration tenure in the Fraser Range province of Western Australia with most of the recent transactions being completed by IGO. From the analysis of the completed comparable transactions VRM has determined that the area based comparable transaction multiples range from A\$300/km<sup>2</sup> to A\$167,300/km<sup>2</sup>. Given the extreme range of valuations an analysis of the transactions has been completed which indicates that the majority of the transactions all fall within a single statistical population with outliers occurring either below \$600/km<sup>2</sup> and above \$3300/km<sup>2</sup>. These are for projects at an early exploration stage and none contain ore grade massive sulphide drill intersections. When this subset is further analysed VRM considers that, a reasonable area based multiple is between A\$1,100/km<sup>2</sup> and A\$2,300/km<sup>2</sup> with a median of A\$1,600/km<sup>2</sup>. These multiples are based on the median and the 25<sup>th</sup> and 75<sup>th</sup> percentiles from an analysis of a subset of the transactions identified as potentially comparable. If more advanced projects are considered as a separate population then a higher multiple is considered warranted. In the case where there are ore grade drill intersections from a mafic intrusive within a small tenement then VRM considers multiples of between \$4,700 and \$55,000 with a preferred multiple of \$17,500. VRM considers that the Merlin project is more advanced and as such a higher multiple is warranted. These multiples all form a separate population of transactions as detailed in Appendix B.

The resource multiples detailed above and supported by the information in Appendix B have been used along with the area of the JV tenements to derive the value of the projects shown in Table 4.

**Table 4 West Kimberley Joint Ventures Comparable Transaction Valuation**

Project / JV	Project Area	IGO Equity	Entire Project			Value IGO are Acquiring		
			Low Value (\$)	Preferred (\$)	Upper Value (\$)	Low Value (\$)	Preferred (\$)	Upper Value (\$)
NWCJV Fissure Tenement	138.10	80%	\$151,910	\$220,960	\$317,630	\$121,528	\$176,768	\$254,104
NWCJV Quick Shears Tenements	410.90	64%	\$451,990	\$657,440	\$945,070	\$289,274	\$420,762	\$604,845
Merlin JV	29.76	51%	\$139,872	\$520,800	\$1,636,800	\$71,335	\$265,608	\$834,768

Note the total project valuations below has been rounded to account for the accuracy of the valuation technique.

Therefore, using an are based comparable transaction method VRM considers the Fissure tenement has a value of between **\$0.15 million** and **\$0.32 million** with a preferred valuation of **\$0.22 million**. Therefore, the equity that IGO can acquire has a value of between **\$0.12 million** and **\$0.25 million** with a preferred valuation of **\$0.18 million**. The Quick Shears tenements have a value of between **\$0.45 million** and **\$0.95 million** with a preferred valuation of **\$0.66 million**. Therefore, the equity that IGO can acquire has a value of between **\$0.29 million** and **\$0.60 million** with a preferred valuation of **\$0.42 million**. The Merlin project has a total value of between **\$0.14 million** and **\$1.64 million** with a preferred value of **\$0.52 million**. Given that IGO is acquiring 51% of the project the equity that IGO can acquire, if the transaction is approved, is considered to have a value of between **\$0.07 million** and **\$0.83 million** with a preferred value of **\$0.27 million**

## 5.2. Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing and the costs of the tenement applications and annual tenement rents have been included in the BAC but not any of the costs associated with land access, heritage negotiations or generative costs. If the valuation is being undertaken on a large area it is preferable to break down the larger area into smaller zones to ensure that an area with a high ranking is not spread over a large area, thereby artificially increasing the valuation. The opposite can occur with large areas of low potential.

The Geoscientific rankings for each tenement were derived for the Kilburn ranking criteria (as detailed above) with the off property criteria considered to be between 1.0 and 1.5, the on property criteria between 1.0 and 2.0, the anomaly factor between 1.0 and 2.5 while the geology criteria are considered to be between 0.1 and 3.0. When these ranking criteria are combined with the base acquisition cost as detailed in Appendix C this has determined the technical value as shown in Table 5. Several of the tenements have a very low geology ranking due to being either non-prospective terrains or being located either partly or entirely within a national park or other environmental reserve.

Table 5 details the technical value of the exploration potential of the projects while the Fair Market Value of the exploration potential is based on a 5% market discount to account for the current nickel and copper markets while there has been a 15% discount applied to the technical value for environmental, land access, permitting and social risks due to the challenges of operating in the Kimberley region of Western Australia. Overall the fair market valuation is detailed in Table 6.

**Table 5 Technical Valuation for the Buxton Joint Venture Projects in the West Kimberley**

Project	Technical Valuation (AUS\$)		
	Lower	Preferred	Upper
Merlin JV	\$859,100	\$1,748,850	\$2,638,600
NWCJV - Fissure	\$44,600	\$102,550	\$160,500
NWCJV – Quick Shears	\$633,400	\$1,269,600	\$1,905,800

Note the table above is the technical valuation which is the base acquisition cost multiplied by the ranking factors outlined in Appendix C

**Table 6 Fair Market Valuation for the Buxton Joint Venture Projects in the West Kimberley**

Project	Fair Market Valuation (\$ million)		
	Lower	Preferred	Upper
Merlin JV	\$0.69	\$1.41	\$2.13
NWCJV - Fissure	\$0.04	\$0.08	\$0.13
NWCJV – Quick Shears	\$0.51	\$1.02	\$1.54
Commodity Factor (5% discount)	95%		
Location Factor (15% discount)	85%		

Note appropriate rounding to the valuation has been undertaken.

**Table 7 Fair Market Valuation for the Potential IGO Equity in the Joint Venture Projects**

Project	Fair Market Valuation (\$ million)		
	Lower	Preferred	Upper
Merlin JV	\$0.35	\$0.72	\$1.09
NWCJV - Fissure	\$0.03	\$0.06	\$0.10
NWCJV – Quick Shears	\$0.33	\$0.65	\$0.99

Note appropriate rounding to the valuation has been undertaken.

The exploration potential in the MJV project is considered by VRM to have a fair market value of between **\$0.69 million** and **\$2.13 million** with a preferred value of **\$1.41 million**. Therefore, given IGO can, if the transaction is approved, acquire 51% of the MJV then the IGO equity is valued at between **\$0.35 million** and **\$1.09 million** with a preferred value of **\$0.72 million**. The total value of the Fissure tenement is considered to be between a nominal amount of **\$0.04 million** and **\$0.13 million** with a preferred value of **\$0.08 million**. Given the rounding associated with this valuation technique VRM considers the 80% that IGO can acquire in the Fissure tenement to be worth between **\$0.03 million** and **\$0.10 million** with a preferred value of **\$0.06 million**. The Quick Shears tenement where IGO can acquire 64%, being 80% of Buxton’s 80% interest, is valued at **\$0.51 million** and **\$1.54 million** with a preferred value of **\$1.02 million**, therefore IGO’s potential equity is valued at between **\$0.33 million** and **\$0.99 million** with a preferred value of **\$0.65 million**

### 5.3. Prospectivity Enhancement Multiplier Valuation

To determine a PEM valuation the critical input is the previous exploration expenditure along with an assessment of the effectiveness of that exploration expenditure. In undertaking any PEM valuation VRM only includes recent expenditure on a project by the current holder of the project for the previous five years. In determining the previous expenditure VRM has used the exploration expenditure claimed by Buxton and included in the Form 5 exploration expenditure lodged with DMIRS. These records can be audited and validated by DMIRS however it is unclear if DMIRS actually audited the lodged form 5 expenditure for any of the tenements. The penalties for claiming expenditure that is not allowable exploration expenditure could potentially include forfeiture of the tenements, therefore in VRM's opinion the Form 5 expenditure (excluding the nominal 20% administrative costs allowed in the form 5's) provides a sound basis for a PEM valuation.

The previous expenditure for the tenements is detailed in Appendix C with a proportional expenditure commitment used for the current year where no form 5 expenditure has been lodged. For the Merlin JV where Buxton will be reimbursed for expenditure since the announcement of the JV on 2 October 2019 VRM has been informed by Buxton that a total of \$235,000 has been expended until the end of November, therefore VRM has included \$235,000 of unreported expenditure for E 04/1533 for 2019.

Overall the PEM factors used for each individual tenement range from 0.5 to 2.0. The PEM factor for each tenement along with the previous exploration expenditure is detailed in Appendix D. The PEM valuation is determined by multiplying the previous expenditure by the PEM factor for each tenement. To determine the range in valuation as required by the VALMIN code VRM has, based on the available technical information determined an upper and a lower PEM for each tenement. The preferred PEM valuation has been determined based on the average of the upper and lower PEM factors. The overall PEM valuation summarised in Table 8. When compared to the other valuation techniques it is clear that the PEM has resulted in a significantly higher valuation. In determining the validity of this valuation method VRM has made an assessment of various costs for operating in the Kimberley region and determined a discount factor to determine what would be considered a fair market PEM valuation. In this case due to the higher exploration costs associated with the challenging logistics, land access costs along with high direct exploration costs due to drilling being conducted by diamond drilling VRM has discounted the PEM by 40% to determine a valuation by the PEM method that would approximate the likely fair market value. The discounted PEM valuation is summarised in Table 10 below.

**Table 8 PEM Valuation Merlin JV and the Fissure and Quick Shears tenements**

Project	Low Valuation (\$)	Preferred Valuation (\$)	Upper Valuation (\$)
Merlin JV	\$7,861,225	\$9,084,168	\$10,307,110
NWCJV - Fissure	\$68,750	\$103,125	\$137,500
NWCJV – Quick Shears	\$811,627	\$920,643	\$1,029,658

**Table 9 PEM Valuation IGO Equity of the Merlin JV and the Fissure and Quick Shears tenements**

Project	Low Valuation (\$)	Preferred Valuation (\$)	Upper Valuation (\$)
IGO Equity (51%) Merlin JV	\$4,009,225	\$4,632,925	\$5,256,626
IGO Equity (80%) NWCJV – Fissure	\$55,000	\$82,500	\$110,000
IGO Equity (64%) NWCJV – Quick Shears	<b>\$519,441</b>	<b>\$589,211</b>	<b>\$658,981</b>

Due to the high costs associated with exploration within the Kimberley region of Western Australia and the allowed 20% administrative overheads included in the form 5 expenditure a discount of 40% has been applied to the PEM valuation method above to provide a fair market PEM valuation.

**Table 10 Fair Market PEM Valuation Merlin JV and the Fissure and Quick Shears tenements**

Project	Low Valuation (\$)	Preferred Valuation (\$)	Upper Valuation (\$)
Merlin JV	\$4,716,735	\$5,450,501	\$6,184,266
NWCJV - Fissure	\$41,250	\$61,875	\$82,500
NWCJV – Quick Shears	\$486,976	\$552,386	\$617,795

Note appropriate rounding to the valuations above has been undertaken to determine the valuations below.

**Table 11 Fair Market PEM Valuation of the interest being acquired by IGO in the Merlin JV and the Fissure and Quick Shears tenements**

Project	Low Valuation (\$)	Preferred Valuation (\$)	Upper Valuation (\$)
IGO Equity (51%) Merlin JV	\$2,405,535	\$2,779,755	\$3,153,976
IGO Equity (80%) NWCJV – Fissure	\$33,000	\$49,500	\$66,000
IGO Equity (64%) NWCJV – Quick Shears	\$311,665	\$353,527	\$395,389

Note appropriate rounding to the valuations above has been undertaken to determine the valuations below.

Therefore, VRM considers the projects to be valued, based on the PEM method, between **\$4.72 million** and **\$6.18 million** with a preferred value of **\$5.45 million** for the Merlin JV. On an equity basis the equity being divested by Buxton to IGO is valued at between **\$2.41 million** and **\$3.15 million** with a preferred value of **\$2.78 million**. The Fissure tenement has a value of between **\$0.04** and **\$0.08 million** with a preferred valuation of **\$0.06 million**. On an equity basis the potential IGO equity is valued at between **\$0.03 million** and **\$0.07 million** with a preferred valuation of **\$0.05 million**. The Quick Shears tenements have a value of between **\$0.49 million** and **\$0.62 million** with a preferred value of **\$0.55 million**. On an equity basis the IGO share is worth between **\$0.31 million** and **\$0.40 million** with a preferred value of **\$0.35 million**.

#### 5.4. West Kimberley Joint Venture Royalties

In the revision to the WKJV as announced on 2 October 2019 IGO and Buxton have agreed to an area of influence associated with the WKJV. This area of influence is defined by an area around the existing WKJV tenements. Under the proposed revision to the JV IGO has agreed that Buxton would be entitled to a 2.5% Net Smelter Royalty (NSR) on any new tenements applied for by IGO within the area of influence within the next four years while there would be a 1.5% NSR on any existing tenements that are acquired by IGO within the area of influence.

As there are no existing deposits within the area of influence and based on the previous exploration and current geological knowledge of the area and there is no certainty that any existing tenements will be acquired or that any new tenement applications being lodged within the area of influence in VRM's opinion that at this stage the proposed royalties have negligible commercial value.

## 6. Risks and Opportunities

As with all mineral assets there are several risks and opportunities associated with the projects and any valuation. The most significant risk is the exploration or geological risks associated with all mineral exploration.

Some of the non-geological risks and opportunities that are common to most projects include the risks associated with the security of tenure, environmental approvals and geopolitical risks. A significant risk to the projects and this valuation is the risks of obtaining sufficient capital to undertake the continued expensive exploration. An additional risk is the economic climate including commodity prices and financial markets which have a significant

impact on the ability of a company to secure the required funding to advance the projects. These risks are largely outside the control of the company.

There are multiple opportunities associated with the various JVs in the West Kimberley. The most significant opportunity is associated with the exploration potential within the projects. The previous exploration by Buxton has identified several mafic intrusive bodies that have during their intrusion had the molten intrusive reach sulphur saturation which results in the formation of nickel and copper sulphides. These sulphides can occur as disseminated, semi massive or massive sulphide bodies which are a significant global source of nickel and a significant source of copper. The main opportunity exists in the identification of locations where these sulphides occur in sufficient concentration and extent to allow the delineation of a mineral resource. Buxton has de-risked the immediate intrusive complex around Merlin and the Quick Shears prospects through its exploration and drilling. This has therefore provided support that the large western extent of the King Leopold Orogen and the mafic igneous rocks of the Hooper Complex could host significant intrusive related nickel / copper mineralisation. The lack of modern exploration on a regional scale using new high powered airborne geophysical surveys including electromagnetic (EM) surveys and the lack of identified regional conductive sediments (which could produce a false positive EM response) is a further opportunity for the region.

Therefore, in VRM's opinion there is significant exploration potential within the projects which cover the majority of the known outcropping Ruins Dolerite along with magnetic anomalies from regional datasets which could be caused by buried mafic intrusive rocks similar to the Ruins Dolerite. Additional exploration is required to test the targets identified.

## 7. Preferred Valuations

Based on the valuation techniques detailed above Table 12 provides a summary of the valuations and a value of the interest being acquired by IGO for each of the projects .

VRM's preferred valuation for the Merlin and New World Cobalt Joint Venture (which consists of the Quick Shears and Fissure tenements) and the interest being acquired by IGO are documented in Table 13. The preferred valuations are based on the valuations above with the aim of reducing the range of the valuations to determine a likely fair market valuation for each of the projects. For the Merlin project VRM's preferred upper valuation is based on the upper valuation from the Kilburn method while the lower valuation is based on the upper valuation of the comparable transaction method. VRM's preferred valuation is based on the comparable transaction valuation method for the Quick Shears and Fissure tenements. The preferred valuation for each project is the average of the upper and lower valuations. Figure 9 shows the various valuations and VRM's preferred valuation range for the projects.

**Table 12 Valuations Summary**

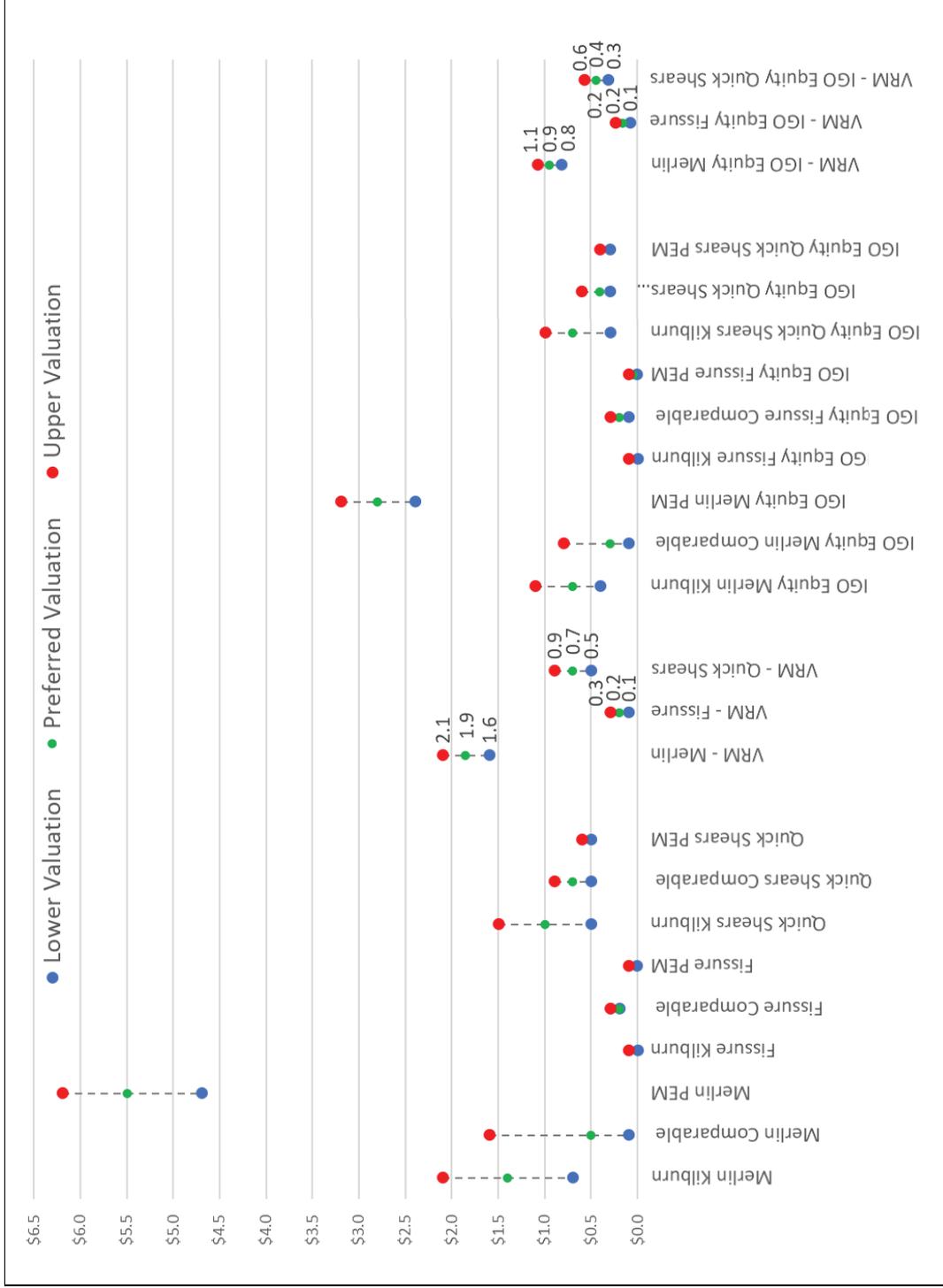
Mineral Asset	Valuation Technique	Report Section	Valuation Type	Lower Valuation (AUD\$ M)	Preferred Valuation (AUD\$ M)	Upper Valuation (AUD\$ M)
<b>Merlin</b>	Kilburn	5.2	Primary	\$0.69	\$1.41	\$2.13
	Comparable Transactions	5.1	Secondary	\$0.14	\$0.52	\$1.64
	PEM	5.3	Secondary	\$4.72	\$5.45	\$6.18
<b>Fissure Tenement</b>	Comparable Transactions	5.1	Primary	\$0.15	\$0.22	\$0.32
	Kilburn	5.2	Secondary	\$0.04	\$0.08	\$0.13
	PEM	5.3	Secondary	\$0.04	\$0.06	\$0.08
<b>Quick Shears Tenements</b>	Comparable Transactions	5.1	Primary	\$0.45	\$0.66	\$0.95
	Kilburn	5.2	Secondary	\$0.51	\$1.02	\$1.54
	PEM	5.3	Secondary	\$0.49	\$0.55	\$0.62
<b>The valuations below are the interest being acquired by IGO should the transaction be completed</b>						
<b>IGO Equity Merlin (51%)</b>	Kilburn	5.2	Primary	\$0.35	\$0.72	\$1.09
	Comparable Transactions	5.1	Secondary	\$0.07	\$0.27	\$0.83
	PEM	5.3	Secondary	\$2.41	\$2.78	\$3.15
<b>IGO Equity – Fissure Tenement (80%)</b>	Comparable Transactions	5.1	Primary	\$0.12	\$0.18	\$0.25
	Kilburn	5.2	Secondary	\$0.03	\$0.06	\$0.10
	PEM	5.3	Secondary	\$0.03	\$0.05	\$0.07
<b>IGO Equity – Quick Shears Tenements (64%)</b>	Comparable Transactions	5.1	Primary	\$0.29	\$0.42	\$0.60
	Kilburn	5.2	Secondary	\$0.33	\$0.65	\$0.99
	PEM	5.3	Secondary	\$0.31	\$0.35	\$0.40

**Table 13 VRM’s valuations of the Merlin, Fissure and Quick Shears Joint Venture Projects**

Mineral Asset	Lower Valuation (AUD\$ M)	Preferred Valuation (AUD\$ M)	Upper Valuation (AUD\$ M)
<b>Merlin Valuation</b>	<b>\$1.64</b>	<b>\$1.88</b>	<b>\$2.13</b>
<b>Fissure Tenement Valuation</b>	<b>\$0.15</b>	<b>\$0.23</b>	<b>\$0.32</b>
<b>Quick Shears Tenements Valuation</b>	<b>\$0.45</b>	<b>\$0.70</b>	<b>\$0.95</b>
<b>Merlin – IGO Equity (51%)</b>	<b>\$0.83</b>	<b>\$0.96</b>	<b>\$1.09</b>
<b>Fissure Tenement - IGO Equity (80%)</b>	<b>\$0.12</b>	<b>\$0.19</b>	<b>\$0.25</b>
<b>Quick Shears Tenements - IGO Equity (64%)</b>	<b>\$0.29</b>	<b>\$0.45</b>	<b>\$0.60</b>

## 8. Conclusion

VRM considers the Merlin Project to be have a fair market value of between **\$1.64 million** and **\$2.13 million** with a preferred value of **\$1.88 million**, the Fissure tenement to have a value between **\$0.15 million** and **\$0.32 million** with a preferred value of **\$0.23 million** while the Quick Shears tenements have a value of between **\$0.45 million** and **\$0.95 million** with a preferred value of **\$0.70 million**. On these valuations the potential equity being divested by Buxton to IGO is considered to have a value of between **\$0.83 million** and **\$1.09 million** with a preferred valuation of **\$0.96 million** for the Merlin Project, the Fissure project equity is worth between **\$0.12 million** and **\$0.25 million** with a preferred valuation of **\$0.19 million** while the Quick Shears project equity is worth between **\$0.29 million** and **\$0.60 million** with a preferred valuation of **\$0.45 million**.



Note the valuations annotated in this figure have been rounded from the valuations detailed in Table 13.

**Figure 9 Valuation Summary Merlin, Fissure and Quick Shears Projects**

## 9. References

The reference list below is dominated by unpublished company reports. Where they are published the publication is noted. None of the ASX releases of Buxton have been listed in the Reference list but are all available on each of the companies, and the ASX websites.

Hassan L Y, 2004. Mineral occurrences and exploration potential of the west Kimberley. Geological Survey of Western Australia Report Number 88.

JORC, 2012, *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)* [online]. Available from: <http://www.jorc.org> (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Kilburn, L.C., 1990, Valuation of mineral properties which do not contain exploitable reserve, CIM Bulletin, 83, pp. 90–93.

Lindsay M, Aitken A, Dentith M, Ford A, Hollis J and Tyler I, 2014. Finding mineral potential in greenfields regions with structural geophysical interpretation, west Kimberley, Australia

VALMIN, 2015, *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)* [online]. Available from: <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

## 10. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org),

The following terms are taken from the 2015 VALMIN Code

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea and their off-shore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

**Corporations Act** means the Australian Corporations Act 2001 (Cth).

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

**Independent Expert Report** means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with

development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

**Mineral Project** means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resources** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

**Mining Industry** means the business of exploring for, extracting, processing and marketing Minerals.

**Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Ore Reserves** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resource** and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

**Practitioner** is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person,

acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty or Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the Corporations Act.

**Securities Expert** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialist** are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

**Status** in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.

## 11. Appendices

### Appendix A – Buxton Tenement Schedule

Note the tenement schedule below lists all Buxton tenements in the West Kimberley Region including the NWCJV, MJV, WKJV and the Baracus JV, this report only values the NWCJV and the MJV.

Tenement	Registered Holder	Status	Granted	End Date	Area
E 04/1533	ALEXANDER CREEK PTY LTD	LIVE	04-12-2006	03-12-2019	3Bl
E 04/1972	TATTERSON, TIMOTHY VINCENT	LIVE	01-09-2015	31-08-2020	81 Bl
E 04/2026	ALEXANDER CREEK PTY LTD	LIVE	07-02-2011	06-02-2021	4 Bl
E 04/2060	ALEXANDER CREEK PTY LTD	LIVE	19-07-2012	18-07-2022	13 Bl
E 04/2142	ALEXANDER CREEK PTY LTD	LIVE	07-06-2012	06-06-2022	2 Bl
E 04/2314	TATTERSON, TIMOTHY VINCENT	LIVE	13-11-2018	12-11-2023	44 Bl
E 04/2407	BUXTON RESOURCES LTD	LIVE	31-01-2017	30-01-2022	3 Bl
E 04/2408	BUXTON RESOURCES LTD	LIVE	16-03-2016	15-03-2021	103 Bl
E 04/2411	BUXTON RESOURCES LTD	LIVE	31-01-2017	30-01-2022	9 Bl
E 04/2423	FISSURE EXPLORATION PTY LTD	LIVE	23-05-2016	22-05-2021	42 Bl
E 04/2462	BARACUS PTY LTD	LIVE	11-09-2017	10-09-2022	28 Bl
E 04/2466	ALEXANDER CREEK PTY LTD	LIVE	24-01-2018	23-01-2023	1 Bl
E 04/2467	ALEXANDER CREEK PTY LTD	LIVE	24-01-2018	23-01-2023	1 Bl
E 04/2468	ALEXANDER CREEK PTY LTD	LIVE	05-07-2018	04-07-2023	1 Bl
E 04/2469	ALEXANDER CREEK PTY LTD	LIVE	24-01-2018	23-01-2023	1 Bl
E 04/2480	BUXTON RESOURCES LTD	LIVE	14-09-2017	13-09-2022	20 Bl
E 04/2536	BUXTON RESOURCES LTD	LIVE	30-07-2019	29-07-2024	21 Bl
E 04/2550	BUXTON RESOURCES LTD	LIVE	07-02-2019	06-02-2024	10 Bl
E 04/2583	BUXTON RESOURCES LTD	LIVE	07-05-2019	06-05-2024	28 Bl
E 04/2609	BUXTON RESOURCES LTD	LIVE	10-07-2019	09-07-2024	6 Bl
E 04/2610	BUXTON RESOURCES LTD	LIVE	10-07-2019	09-07-2024	4 Bl
E 04/2629	BUXTON RESOURCES LTD	LIVE	10-07-2019	09-07-2024	1 Bl
E 04/2630	BUXTON RESOURCES LTD	LIVE	10-07-2019	09-07-2024	4 Bl
E 04/2636	BUXTON RESOURCES LTD	LIVE	01-08-2019	31-07-2024	30 Bl
P 04/269	BUXTON RESOURCES LTD	LIVE	19-04-2016	18-04-2020	92.24Ha
E 04/2451	BARACUS PTY LTD	PENDING	N/A	N/A	143 Bl
E 04/2527	BUXTON RESOURCES LTD	PENDING	N/A	N/A	20 Bl
E 04/2530	BUXTON RESOURCES LTD	PENDING	N/A	N/A	46 Bl
E 04/2549	BUXTON RESOURCES LTD	PENDING	N/A	N/A	5 Bl
E 04/2578	BUXTON RESOURCES LTD	PENDING	N/A	N/A	97 Bl
E 04/2579	BUXTON RESOURCES LTD	PENDING	N/A	N/A	78 Bl
E 04/2580	BUXTON RESOURCES LTD	PENDING	N/A	N/A	28 Bl
E 04/2581	BUXTON RESOURCES LTD	PENDING	N/A	N/A	61 Bl
E 04/2584	BUXTON RESOURCES LTD	PENDING	N/A	N/A	17 Bl
E 04/2585	BUXTON RESOURCES LTD	PENDING	N/A	N/A	35 Bl
E 04/2611	BUXTON RESOURCES LTD	PENDING	N/A	N/A	32 Bl
E 04/2612	BUXTON RESOURCES LTD	PENDING	N/A	N/A	30 Bl
E 04/2613	BUXTON RESOURCES LTD	PENDING	N/A	N/A	28 Bl
E 04/2614	BUXTON RESOURCES LTD	PENDING	N/A	N/A	36 Bl
E 04/2615	BUXTON RESOURCES LTD	PENDING	N/A	N/A	20 Bl
E 04/2616	BUXTON RESOURCES LTD	PENDING	N/A	N/A	10 Bl
E 04/2617	BUXTON RESOURCES LTD	PENDING	N/A	N/A	2 Bl
E 04/2618	BUXTON RESOURCES LTD	PENDING	N/A	N/A	1 Bl
E 04/2625	BUXTON RESOURCES LTD	PENDING	N/A	N/A	8 Bl
E 04/2631	BUXTON RESOURCES LTD	PENDING	N/A	N/A	2 Bl
E 04/2648	BUXTON RESOURCES LTD	PENDING	N/A	N/A	25 Bl
E 04/2649	BUXTON RESOURCES LTD	PENDING	N/A	N/A	32 Bl
E 04/2650	BUXTON RESOURCES LTD	PENDING	N/A	N/A	10 Bl
E 04/2651	BUXTON RESOURCES LTD	PENDING	N/A	N/A	42 Bl
E 80/5284	BUXTON RESOURCES LTD	PENDING	N/A	N/A	73 Bl

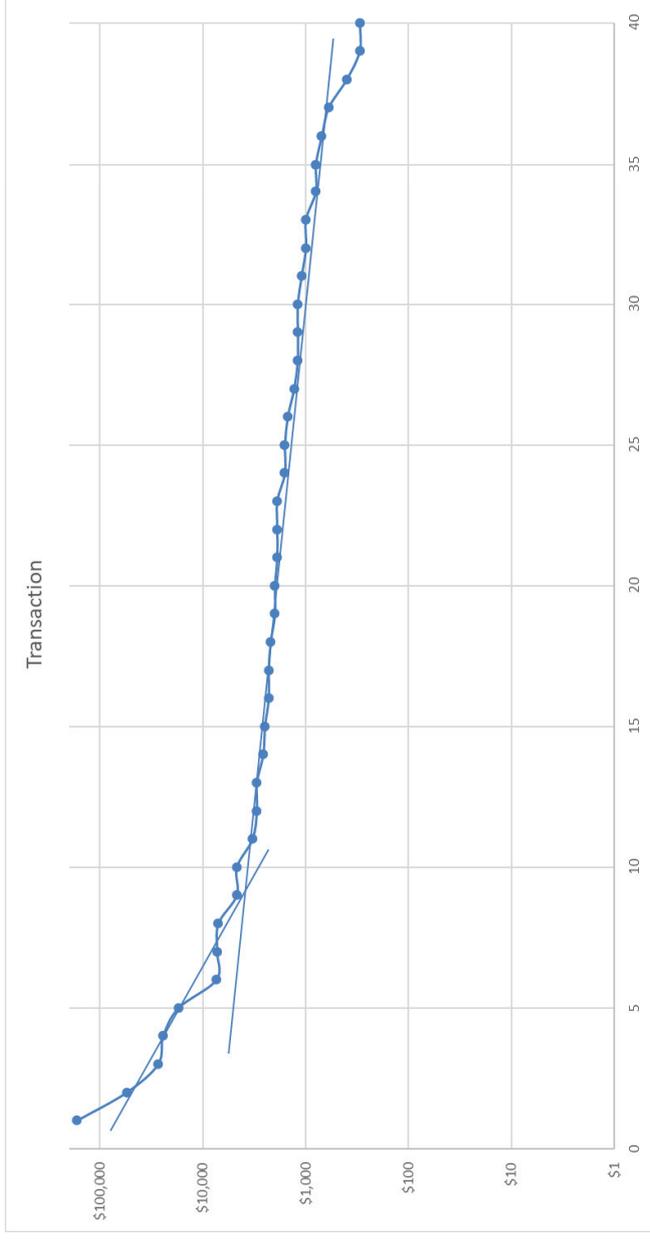
## Appendix B – Comparable Transactions

The table below documents several transactions that were analysed to determine a suitable area based multiple for recently completed nickel project transactions that are at an early exploration stage.

A data analysis of the various transactions has identified that the majority of the transactions form one population with a distinct break in the area multiples at \$600/km<sup>2</sup> and \$3,300/km<sup>2</sup>, based on this analysis the transactions with area multiples above or below have been excluded from determining an appropriate comparable transaction area multiple, in the table below the green transactions are considered comparable and have been used in determining the comparable transaction area multiples for the projects without ore grade massive sulphide drill intersections. VRM has elected to use the multiples of \$4700 to \$55000 per square kilometre for projects with ore grade drill intersections.

Project	Date	Buyer	Seller	\$(100%basis)	Area (km <sup>2</sup> )	A\$/km <sup>2</sup>	Include / Exclude
Super Nova Project (& Mt Davis Tenements)	24/12/2013	Matrix Metals	Caeneus Minerals	\$3,127,000	19	\$167,300	Exclude
Fraser Range	17/06/2019	IGO	Classic	\$4,509,804	82.06	\$55,000	For Ore Grade Drill
Southern Hill	3/06/2018	IGO	Creasy Group	\$30,000,000	1100	\$27,300	For Ore Grade Drill
Fraser Range	16/11/2016	IGO		\$7,857,143	322	\$24,400	For Ore Grade Drill
Fraser West Nickel/Copper Project	3/07/2013	Ram Resources	Regency Mines	\$4,695,000	271	\$17,300	For Ore Grade Drill
Zanthus Nickel Project	13/02/2014	Rumble Resources	Blackham Resources	\$2,747,000	370	\$7,400	For Ore Grade Drill
Musgrave II Nickel Project	1/07/2013	Western Areas	Traka Resources	\$7,843,000	1075	\$7,300	For Ore Grade Drill
Harts Range (East Arunta nickel) Project	12/09/2013	MMG	Mithril	\$5,556,000	784	\$7,100	For Ore Grade Drill
Double Magic Nickel Project	27/04/2015	Buxton Resources	Undisclosed	\$433,000	93	\$4,700	For Ore Grade Drill
Fraser Range	24/08/2016	IGO	Buxton	\$1,666,667	357.4	\$4,700	For Ore Grade Drill
Plumridge	5/02/2018	IGO	Arrow Minerals	\$8,333,333	2500	\$3,300	Include
Thunderstorm, Thunderdome and Big Red	2/10/2017	IGO	Rumble Resources	\$2,142,857	713	\$3,000	Include
Fraser Range	16/11/2016	IGO	Sheffield	\$980,392	322	\$3,000	Include
Traka Option 2 area	12/11/2014	Silver Lake Resources	Traka Resources	\$188,000	72	\$2,600	Include
Sheoak project	2/06/2015	Ram Resources	Undisclosed	\$71,000	28	\$2,500	Include
Koonberry Nickel-copper Project	17/02/2014	Ascension Minerals	Dart Mining	\$667,000	294	\$2,300	Include
Fraser Range North and South	5/10/2016	IGO	Winward Resources	\$20,520,000	9000	\$2,300	Include
West Kimberley JV	29/11/2018	IGO	Buxton	\$7,000,000	3237	\$2,200	Include
Plumridge Gold/Nickel/copper Project	9/10/2013	Segue Resources	Fraser Range	\$1,667,000	832	\$2,000	Include
Fraser Range NE	10/03/2017	IGO	Orion	\$2,000,000	985.202	\$2,000	Include
Fraser Range Tenements	26/03/2014	Mining Projects	EpiEnergy	\$667,000	355	\$1,900	Include
Fowlers Bay Nickel Project	9/10/2014	Western Areas	Gunson Resources	\$1,333,000	700	\$1,900	Include
Mulga Tank project	6/02/2015	Impact Minerals	Golden Cross	\$917,000	476	\$1,900	Include
Balladonia Tenements	26/03/2014	Mining Projects	Next Commodities	\$400,000	246	\$1,600	Include

Project	Date	Buyer	Seller	\$(100%basis)	Area (km <sup>2</sup> )	A\$/km <sup>2</sup>	Include / Exclude
Plumridge East	22/12/2014	Segue Resources	Fraser Range	\$1,000,000	641	\$1,600	Include
Fraser Range Nickel/Copper Project	5/07/2013	Rumble Resources	Unspecified	\$100,000	68	\$1,500	Include
Fraser Range North and South	24/07/2013	Winward Resources	Creasy Group	\$11,338,000	9000	\$1,300	Include
Mt Ridley Nickel/Copper Project	5/03/2013	AXG Mining	XTL Energy	\$1,095,000	878	\$1,200	Include
Dingo Range Tenements	26/03/2014	Mining Projects	Coal First	\$400,000	327	\$1,200	Include
West Kimberley JV	9/07/2018	IGO/Buxton	Baracus	\$687,500	560.4	\$1,200	Include
Fraser Range Nickel/ Copper/Gold Project	10/09/2013	Mining Projects	EpiEnergy	\$643,000	566	\$1,100	Include
Spa Go West tenement	17/06/2014	Parmelia Resources	Maincoast	\$84,000	81	\$1,000	Include
Orpheus Base Metal JV project	12/02/2015	Apollo Minerals	Enterprise Metals	\$571,000	600	\$1,000	Include
Fraser Range North Nickel/Copper Project	17/02/2014	Ram Resources	Private Vendor	\$130,000	163	\$800	Include
Plumridge JV	9/04/2014	Segue Resources	International	\$650,000	832	\$800	Include
Dearlinya	9/10/2013	Segue Resources	Fraser Range	\$900,000	1298	\$700	Include
Plumridge Lakes Project	5/08/2013		Creasy	\$1,580,000	2628	\$600	Include
Roe Hills Nickel Project and Mt Barrett Gold	14/05/2013	Mining Projects	Oroya Mining	\$200,000	509	\$400	Exclude
Plumridge Nickel Copper Project	9/10/2013	Segue Resources	Becrux	\$200,000	698	\$300	Exclude
Plumridge Nickel Copper Project	9/10/2013	Segue Resources	Distant Island	\$200,000	710	\$300	Exclude



Below are the area multiples for the comparable early stage exploration transactions with average, median, 25<sup>th</sup> and 75<sup>th</sup> percentiles and the minimum and maximum from the transactions above \$600/km<sup>2</sup> and below \$3,300/km<sup>2</sup>. VRM has used \$4,700 as a lower valuation, \$55,000 for an upper valuation and \$17,500 for the preferred area multiples for projects with ore grade drill intersections.

	\$/km <sup>2</sup>
Average	\$1,722
median	\$1,600
25% Percentile	\$1,100
75% Percentile	\$2,300
Min	\$300
Max	\$167,300

## Appendix C– Buxton West Kimberley Joint Ventures Geoscientific (Kilburn) Rankings

Tenement	Project	Status	BAC (AUS\$)	Equity IGO is Acquiring	Status Discount	Off Property		On Property		Anomaly Factor		Geology Factor	
						Low	High	Low	High	Low	High	Low	High
E 04/1533	Merlin	LIVE	\$53,305	80%	100%	1	1.3	1.5	2	2	2.5	2.5	3
E 04/2026	Merlin	LIVE	\$53,906	80%	100%	1.2	1.5	1.2	2	1.5	2	1.5	2.5
E 04/2142	Merlin	LIVE	\$52,704	80%	100%	1.2	1.5	1.5	2	1.5	2	2	2.5
E 04/2423	NWC - Fissure	LIVE	\$74,288	80%	100%	1.2	1.5	1	1.2	1	1.2	0.5	1
E 04/1972	NWC - Quick Shears	LIVE	\$148,760	64%	100%	1.2	1.5	1.5	2	1.5	2	1.5	2
E 04/2314	NWC - Quick Shears	LIVE	\$51,574	64%	100%	1.2	1.5	1	1.2	1	1.3	0.5	1

Tenement	Project	Technical Valuation (AUS\$)			Fair Market Valuation (\$ million)			Fair Market Value (IGO equity) (\$ million)		
		Lower	Preferred	Upper	Lower	Preferred	Upper	Lower	Preferred	Upper
E 04/1533	Merlin	399,800	719,600	1,039,400	0.32	0.58	0.84	0.16	0.30	0.43
E 04/2026	Merlin	174,700	491,650	808,600	0.14	0.40	0.65	0.07	0.20	0.33
E 04/2142	Merlin	284,600	537,600	790,600	0.23	0.43	0.64	0.12	0.22	0.33
<b>Total Merlin JV</b>		<b>859,100</b>	<b>1,748,850</b>	<b>2,638,600</b>	<b>0.69</b>	<b>1.41</b>	<b>2.13</b>	<b>0.35</b>	<b>0.72</b>	<b>1.09</b>
E 04/2423	NWCJV - Fissure	44,600	102,550	160,500	0.04	0.08	0.13	0.03	0.06	0.10
E 04/1972	NWCJV - Quick Shears	602,500	1,193,800	1,785,100	0.49	0.96	1.44	0.31	0.61	0.92
E 04/2314	NWCJV - Quick Shears	30,900	75,800	120,700	0.02	0.06	0.10	0.01	0.04	0.06
<b>Total NWCJV*</b>		<b>678,000</b>	<b>1,372,150</b>	<b>2,066,300</b>	<b>0.55</b>	<b>1.10</b>	<b>1.67</b>	<b>0.36</b>	<b>0.72</b>	<b>1.09</b>
Commodity Discount	95%									
Location Discount	85%									

Note \* the total NWCJV is for both the Fissure and Quick Shears Tenements.

## Appendix D— Buxton West Kimberley Joint Ventures Previous Expenditure and PEM valuation

Tenement	Project	IGO Equity	Buxton Expenditure							Total
			Year							
			2014	2015	2016	2017	2018	2019		
E 04/1533	Merlin	51%	\$58,900	\$751,200	\$331,600	\$1,754,300	\$1,047,200	\$235,000	\$4,178,200	
E 04/2026	Merlin	51%		\$22,400	\$372,500	\$75,900	\$244,850	\$103,000	\$818,650	
E 04/2142	Merlin	51%		\$16,550	\$139,300	\$108,300	\$171,250	\$120,550	\$555,950	
E 04/2423	NWCJV - Fissure	80%				\$59,850	\$21,100	\$56,550	\$137,500	
E 04/1972	NWCJV - Quick Shears	64%			\$540,200		\$35,950		\$659,550	
E 04/2314	NWCJV - Quick Shears	64%				\$83,400			\$40,333	
<b>Total</b>			<b>\$58,900</b>	<b>\$818,000</b>	<b>\$1,664,900</b>	<b>\$2,329,650</b>	<b>\$2,059,250</b>	<b>\$956,583</b>	<b>\$7,923,706</b>	

Note the expenditure in *italics* is assumed and determined as a proportion of the overall annual expenditure for the first year's exploration commitment.

Tenement	Project	IGO Equity	PEM Ranking	PEM Valuation Entire Project			PEM Valuation IGO Equity		
				Low	Mid	High	Low	Mid	High
E 04/1533	Merlin	51%	1.5	\$6,267,300	\$7,311,850	\$8,356,400	\$3,196,323	\$3,729,044	\$4,261,764
E 04/2026	Merlin	51%	1.2	\$982,380	\$1,105,178	\$1,227,975	\$501,014	\$563,641	\$626,267
E 04/2142	Merlin	51%	1.1	\$611,545	\$667,140	\$722,735	\$311,888	\$340,241	\$368,595
<b>Merlin JV Total</b>				<b>\$7,861,225</b>	<b>\$9,084,168</b>	<b>\$10,307,110</b>	<b>\$4,009,225</b>	<b>\$4,632,925</b>	<b>\$5,256,626</b>
E 04/2423	NWC - Fissure	80%	0.5	\$68,750	\$103,125	\$137,500	\$55,000	\$82,500	\$110,000
E 04/1972	NWC - Quick Shears	64%	1.2	\$791,460	\$890,393	\$989,325	\$506,534	\$569,851	\$633,168
E 04/2314	NWC - Quick Shears	64%	0.5	\$20,167	\$30,250	\$40,333	\$12,907	\$19,360	\$25,813
<b>NWC JV Total</b>				<b>\$880,377</b>	<b>\$1,023,768</b>	<b>\$1,167,158</b>	<b>\$574,441</b>	<b>\$671,711</b>	<b>\$768,981</b>
<b>Discounted Merlin JV</b>									
<b>Discounted NWCJV - Fissure</b>				<b>\$4,716,735</b>	<b>\$5,450,501</b>	<b>\$6,184,266</b>	<b>\$2,405,535</b>	<b>\$2,779,755</b>	<b>\$3,153,976</b>
<b>Discounted NWCJV - Quick Shears</b>				<b>\$41,250</b>	<b>\$61,875</b>	<b>\$82,500</b>	<b>\$33,000</b>	<b>\$49,500</b>	<b>\$66,000</b>
				<b>\$486,976</b>	<b>\$552,386</b>	<b>\$617,795</b>	<b>\$311,665</b>	<b>\$353,527</b>	<b>\$395,389</b>



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](http://www.investorcentre.com/contact)

## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST)** **Wednesday, 26 February 2020.**

# 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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](http://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

XX

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 General Meeting of Buxton Resources Limited to be held at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia on Friday, 28 February 2020 at 10:00am (WST) and at any adjournment or postponement of that meeting.

### 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 Approval of IGO Transactions	<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

BUX

999999A



Computershare

