



BUXTON RESOURCES LIMITED

ABN 86 125 049 550

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2019

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2019 and any public announcements made by Buxton Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

BUXTON RESOURCES LIMITED

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BUXTON RESOURCES LIMITED

CORPORATE INFORMATION

Buxton Resources Limited
ABN: 86 125 049 550

Directors

Seamus Cornelius
Eamon Hannon
Anthony Maslin
Stuart Fogarty
Feng (Frank) Xue

Auditors

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

Company Secretary

Sam Wright

Registered office and principal place of business

Suite 1, 1st Floor
14-16 Rowland Street
Subiaco WA 6008

PO Box 661
Nedlands WA 6909

Ph: 08 9380 6063
Fax: 08 9381 4056
Web: www.buxtonresources.com.au

Share Register

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000

Home Exchange

Australian Securities Exchange
Level 40 Central Park
152-158 St Georges Terrace
Perth WA 6000
ASX Code: BUX

BUXTON RESOURCES LIMITED

DIRECTORS' REPORT

Your directors are pleased to present their report on Buxton Resources Limited for the half-year ended 31 December 2019.

DIRECTORS

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

Seamus Cornelius

Eamon Hannon

Anthony Maslin

Stuart Fogarty

Feng (Frank) Xue

Directors were in office for the entire period.

REVIEW AND RESULTS OF OPERATIONS

Operating results

The Company recorded a loss for the period ended 31 December 2019 of \$1,539,659 (2018; \$1,914,385).

At 31 December 2019 the Company held cash and term deposit balances of \$3,125,846 (2018; \$5,306,211).

West Kimberley Exploration Update

Buxton Resources Limited confirmed that ground electromagnetic surveys (low temperature SQUID Moving Loop EM) and a reconnaissance Air Core drilling program were completed at the Quick Shears Project (Figure 1).

Regionally, a large, belt-scale airborne EM survey has been completed over 1,900km² of West Kimberley Joint Venture (WKJV) tenements (Figure 2). This survey was flown using the industry-leading high-power Spectrem equipment and DC-3 aircraft (Figure 3) mobilised from overseas by IGO (Independence Group NL). A second airborne survey (aeromagnetics and radiometrics) is due to commence this quarter, providing the first high-resolution information on rock types and structures in these as-yet unexplored areas aside from Buxton's 2018 aeromagnetics survey at Sentinel (ASX 20/09/18). No detailed government or multi-client datasets exist for the West Kimberley, greatly handicapping Buxton's regional exploration to date. The upcoming high-quality, belt-scale aerial work planned by the WKJV represents a major and historic step forward in exploration of the region.

Analysis of results from the large Spectrem EM survey is at an early stage and will be further informed by the high-resolution aeromagnetics results as they become available. However, numerous promising EM conductors have already been identified on multiple tenements. Anomaly assessment, ranking and target generation is underway, with this work to be completed over the next quarter. Ground follow-up on selected anomalies at Sentinel is already underway, with systematic ground assessment and ranking of targets throughout the belt to be completed during the 2020 field season.

IGO are planning a busy field season for the WKJV in 2020 throughout the belt (King Leopold Orogen) which will include mapping, surface geochemistry, ground EM, drilling and downhole EM. Buxton eagerly awaits the results from these planned large-scale exploration programs in this highly prospective, under-explored, magmatic nickel-copper province.

BUXTON RESOURCES LIMITED

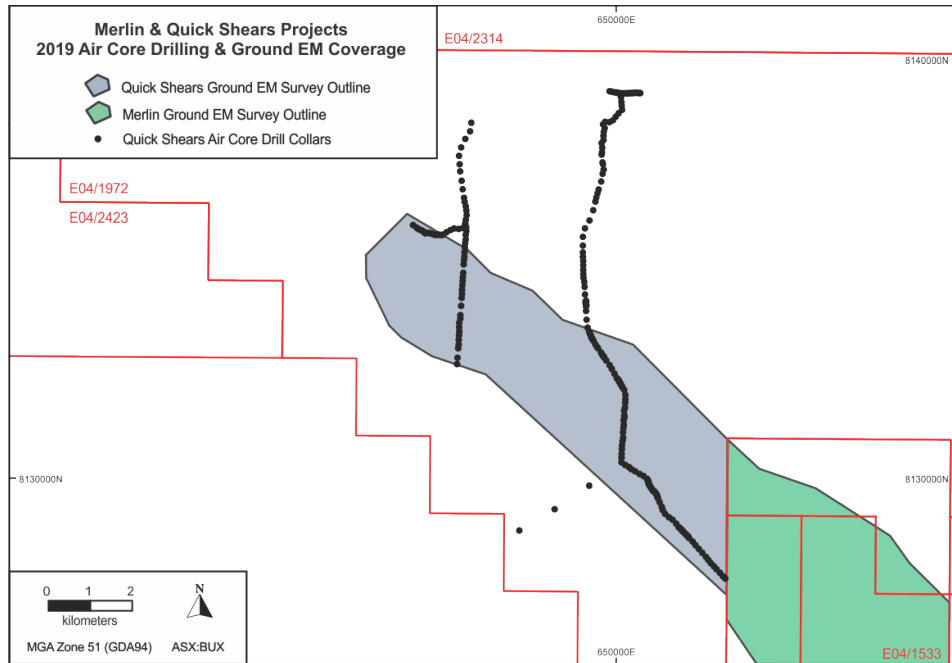


Figure 1. Air Core drill collars and ground EM survey areas at the Quick Shears and Merlin Projects

The systematic MLTEM survey across Merlin (Figure 1) has confirmed all previously identified conductors, including those previously only detected by down-hole EM. One new conductor was detected by the new survey, a deep source which is difficult to resolve using surface EM methods. This result shifts the search space at Merlin deeper, most likely in excess of 600 metres below surface. This in turn means a different approach to future drill targeting at Merlin is needed, with deep, step-back drill holes designed to provide a platform for deep down-hole EM, as well as ideally intersecting geological and geochemical targets in conventional ways. The commitment required for this type of drilling and down-hole EM is substantial, as multiple deep holes will be required. Buxton is evaluating ways to get the best possible value for shareholders at Merlin.

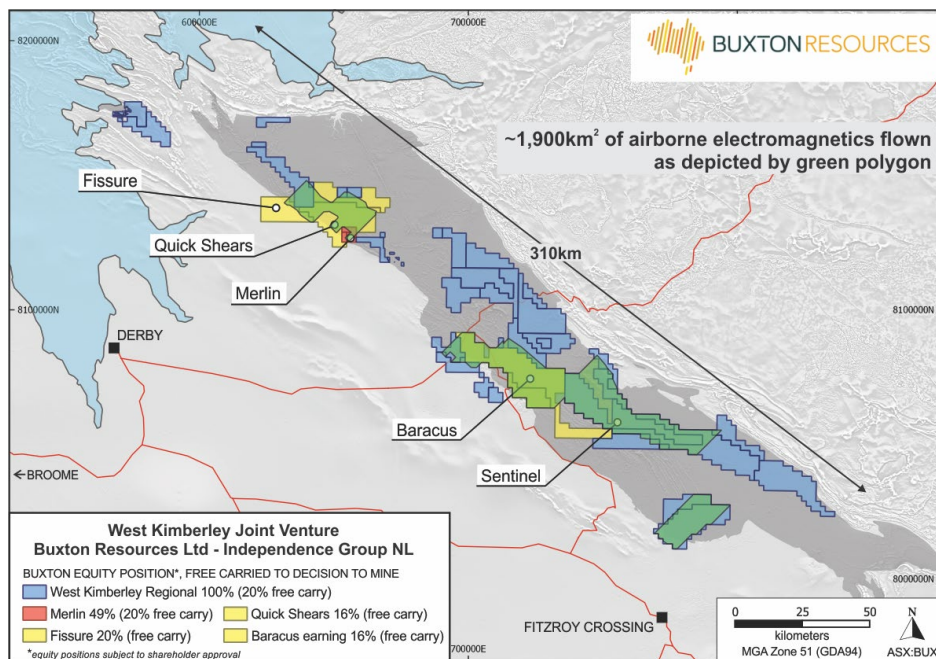


Figure 2. Buxton-Independence Group West Kimberley Joint Venture tenure over the King Leopold Orogen (in dark grey), highlighting the area covered by the recent regional electromagnetic Spectrem survey

BUXTON RESOURCES LIMITED

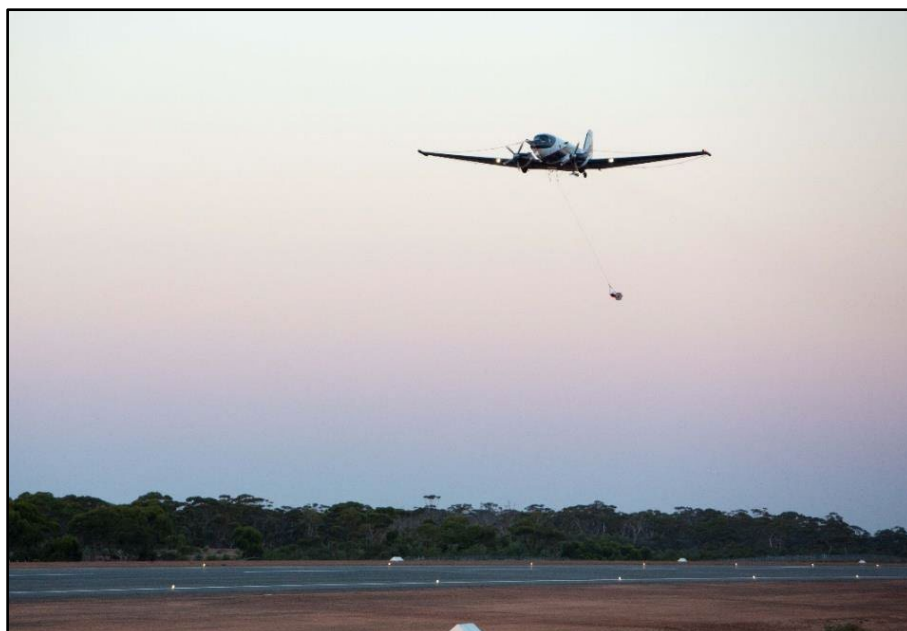


Figure 3. Spectrem aircraft used to survey WKJV tenements

West Kimberley JV Restructure

As per the announcement released on 2 October 2019, Buxton has entered into three further commercial binding agreements with Independence Newsearch Pty Ltd (**INPL**), a wholly owned subsidiary of Independence Group NL (**IGO**) (ASX:IGO), with respect to Buxton's Merlin and Quick Shears assets as well as amending the broader West Kimberley Joint Venture.

Buxton will be released from any further financial contributions and will either be free carried to completion of feasibility studies for both the Merlin JVA and WKJVA or, with respect to any newly acquired properties within the WKJVA, granted a net smelter royalty (NSM) of 0.25% (where held by IGO and other parties) and 0.5% (where acquired wholly by IGO).

On 28 February 2020, Buxton received shareholder approval for the IGO Transactions.

Buxton Managing Director Eamon Hannon said, *"This is a fantastic result for Buxton shareholders. IGO has already spent more than anything Buxton could have sensibly raised for work on our ground in the West Kimberley or the Fraser Range. These binding deals mean that exploration will be accelerated still further, while also freeing Buxton from any ongoing financial or management commitments. Buxton has reduced operational expenses to a drip, has ample cash at bank, a solid share structure and has two multi-billion-dollar corner stone investors owning a combined 23% of our register. Buxton will now be actively looking for the company's next frontier, re-applying the formula which has been so successful for us in the West Kimberley since 2015."*

High level terms of the transactions are summarised in Appendices 1, 2 and 3 of the ASX announcement released on 2 October 2019.

BUX intends to use funds received from the IGO transactions to fund existing projects as well as assessing and considering the acquisition of further resource projects that may complement the existing projects of the Company and add value for Shareholders. As previously announced (28 January 2020) Buxton has been actively pursuing copper opportunities in the southwest USA.

BUXTON RESOURCES LIMITED

New Projects

Buxton has been actively pursuing copper opportunities in the southwest USA. This region represents one of the major endowments of copper known in the Earth's crust and includes three of the top 10 jurisdictions for mining investment according to the 2018 Fraser Institute Annual Survey of Mining Companies (Nevada, Utah and Arizona).

During the Half Year, Buxton incorporated a subsidiary USA entity called Buxton Resources Arizona LLC. Buxton has also engaged contractors to commence the process of seeking the grant of new licences in 2 areas to secure subsurface mineral rights with previously identified copper resources in Arizona and New Mexico.

Buxton has additionally entered into a binding Terms Sheet by which NSL Resources, LLC (an Arizona incorporated company that is owner of mining leases) has granted an irrevocable and exclusive option in favour of Buxton to acquire 100% of 2 general mining leases in New Mexico. Buxton has paid a non-refundable option fee of US\$25,000 to secure the option. Buxton may elect at any time until 15 October 2020 to exercise the option and enter into a transaction by which it will acquire 100% of the general mining leases free of encumbrances other than rights in favour of surface rights holders. In such an event, Buxton at completion will pay US\$150,000, grant a 0.5% net smelter return royalty on the sale of any mineral product and agrees to pay a deferred consideration sum of 10% of the sale proceeds in the event of on-sale of the mining leases by Buxton and where Buxton, or any joint venture or funding partner, have not together spent US\$2,500,000 on expenditure on the mining leases.

Buxton will update the market with further details In the event of a material development from the pursuit of copper opportunities.

Goldmember Project

Two exploration licences were granted and an additional 5 applications lodged in the southern Yilgarn based on widespread gold anomalism defined in auger sampling by AngloGold during their belt-scale Viking Project. During the Half Year, Buxton has conducted orientation soil sampling and desktop studies



Figure 8: Soil Sampling at Buxton's Goldmember Project

BUXTON RESOURCES LIMITED

Fraser Range Joint Venture

Independence Group has been undertaking systematic greenfields exploration in the Fraser Range targeting Nova style (magmatic Ni-Cu-Co sulphide) discoveries within over ~15,000km² of regional tenure. Exploration spend has been in the region of ~\$20m per annum for several years.

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

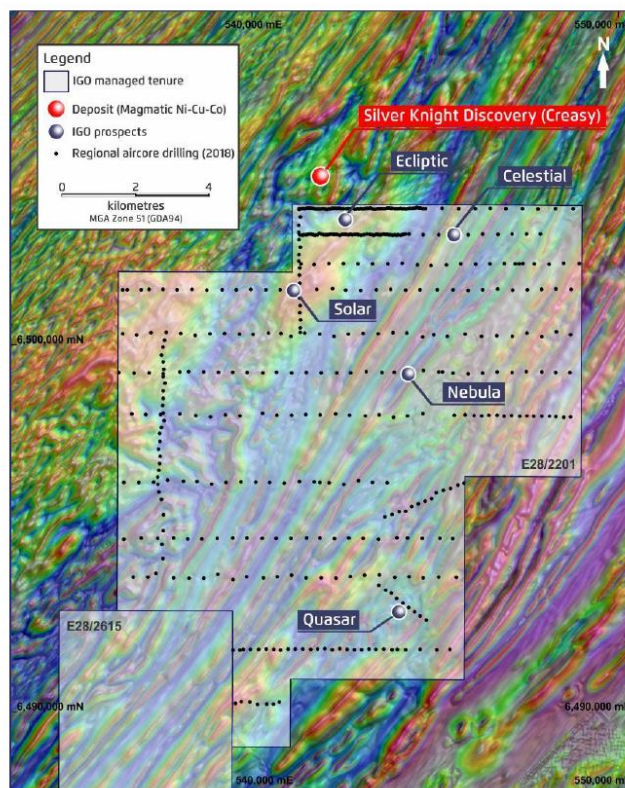


Figure 4. Drill targets at the Widowmaker (E28/2201) BUX-IGO joint venture in the Fraser Range, high priority targets include Ecliptic and Solar Prospects along strike from the Creasy Group Silver Knight Discovery (figure from IGO RIU conference presentation: <https://www.asx.com.au/asxpdf/20190221/pdf/442twqw68jgtlq.pdf>).

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

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Eamon Hannon Fellow of the Australian Institute of Geoscientists. Mr. Hannon is a full-time employee of Buxton. Mr. Hannon has sufficient experience which is relevant to the activity being undertaken to qualify as a “Competent Person”, as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Hannon consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

BUXTON RESOURCES LIMITED

DIRECTORS' REPORT (CONTINUED)

CORPORATE

At the AGM held on 22 November 2019 shareholders approved the issue of 9,450,000 unlisted options to Directors, staff and consultants under the Employee Incentive Scheme. The options are exercisable at 15 cents and expire 30 November 2022. Full details are provided in Note 4 in the notes to the condensed financial statements.

ANNUAL GENERAL MEETING

Buxton held its Annual General Meeting of Shareholders on 22 November 2019 at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia and all resolutions that were put were unanimously passed on a show of hands.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the balance date the Company held a general meeting at which shareholders approved 3 transactions, details of which were in the ASX announcement dated 2 October 2019.

The 3 transactions include the divestment of a majority stake in 2 projects and the variation of rights under another project in exchange for \$1,275,000 cash initially and a possible additional \$1,500,000 in deferred payments.

Other than the above, no matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

BUXTON RESOURCES LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'SC' followed by a stylized surname.

Seamus Cornelius

Director

Perth, 13th March 2020



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Buxton Resources Limited
PO Box 9028
Subiaco WA 6904

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2019 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan FCA (Lead Auditor)

Rothsay Auditing

Dated 13 March 2020

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Half-year ended 31 December 2019 \$	31 December 2018 \$
Revenue from continuing operations	3	210,102	677,491
Depreciation expense		(14,721)	(13,431)
Salaries and employee benefits expense		(421,534)	(372,825)
Share-based payment expense		(217,694)	(649,110)
Exploration and evaluation expense		(845,533)	(1,411,462)
Corporate expense		(164,761)	(100,521)
Administration expense		(115,403)	(53,141)
Loss from operating activities		(1,569,544)	(1,922,999)
Finance income		29,885	8,614
Finance cost		-	-
Net finance income		29,885	8,614
Loss before income tax		(1,539,659)	(1,914,385)
Income tax expense		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,539,659)	(1,914,385)
Basic and diluted loss per share (cents)		(1.13)	(1.64)

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		3,125,846	4,601,342
Trade and other receivables		281,961	73,131
Other financial assets		128,000	128,000
Other current assets		45,817	20,564
TOTAL CURRENT ASSETS		3,581,624	4,823,037
NON-CURRENT ASSETS			
Exploration assets		855,195	855,195
Plant and equipment		87,649	101,188
TOTAL NON-CURRENT ASSETS		942,844	956,383
TOTAL ASSETS		4,524,468	5,779,420
CURRENT LIABILITIES			
Trade and other payables		191,451	124,438
TOTAL CURRENT LIABILITIES		191,451	124,438
TOTAL LIABILITIES		191,451	124,438
NET ASSETS		4,333,017	5,654,982
EQUITY			
Issued capital	4	24,234,892	24,234,892
Reserve	5	885,700	1,460,375
Accumulated losses		(20,787,575)	(20,040,285)
TOTAL EQUITY		4,333,017	5,654,982

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued capital	Accumulated losses	Share-based payment reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2018	19,518,256	(17,948,382)	1,309,172	2,879,046
Total comprehensive income for the period	-	(1,914,385)	-	(1,914,385)
Issued for cash	4,081,663	-	-	4,081,663
Issued to drilling contractor	400,000	-	-	400,000
Issued for exploration project	193,333	-	-	193,333
Share-based payments	-	-	649,110	649,110
Expiry of options	-	431,395	(431,395)	-
Exercise of options	62,500	21,352	(21,352)	62,500
Share issue costs	(20,860)	-	-	(20,860)
Balance at 31 December 2018	24,234,892	(19,410,020)	1,505,535	6,330,407
Balance at 1 July 2019	24,234,892	(20,040,285)	1,460,375	5,654,982
Total comprehensive income for the period	-	(1,539,659)	-	(1,539,659)
Expiry of options	-	792,369	(792,369)	-
Share-based payments	-	-	217,694	217,694
Balance at 31 December 2019	24,234,892	(20,787,575)	885,700	4,333,017

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year ended	
	31 Dec 2019	31 Dec 2018
	\$	\$
Cashflows from operating activities		
Cash receipts from customers	224,294	677,079
Payments for exploration and evaluation	(877,460)	(1,447,674)
Payments to suppliers	(484,217)	(172,597)
Payments to staff	(367,760)	(343,517)
Interest received	30,829	2,900
Net cash outflow from operating activities	(1,474,314)	(1,283,809)
Cashflows from investing activities		
Payments for plant and equipment	(1,182)	(16,731)
Net cash outflow from investing activities	(1,182)	(16,731)
Cashflows from financing activities		
Proceeds from the issue of shares	-	4,481,663
Proceeds from the exercise of options	-	62,500
Share issue costs	-	(20,860)
Net cash inflow from financing activities	-	4,523,303
Net increase/(decrease) in cash and cash equivalents	(1,475,496)	3,222,763
Cash and cash equivalents at the beginning of the period	4,601,342	2,083,448
Cash and cash equivalents at the end of the period	3,125,846	5,306,211

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

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any ASX announcements made by Buxton Resources Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

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

For the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. Those which have a material impact on the Company are set out below:

AASB 16 Leases

AASB 16 replaces AASB 117 *Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

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

A lessee measures right-of-use assets similarly to other financial assets (such as property, plant and equipment) and lease liabilities similar to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and presents them in the statement of cash flows applying AASB 107 *Statement of Cash Flows*.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases.

The Company only has short term leases which, under the standard, can continue to be recognised on a straight line/systematic basis over the lease term.

New Standards and Interpretations on issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

Significant Accounting Judgements and Key Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half-year report the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019.

NOTE 2: SEGMENT INFORMATION

Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the full Board of Directors.

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

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

	1 July 2019 to 31 December 2019 \$	1 July 2018 to 31 December 2018 \$
Joint -venture agreement	201,538	545,454
Exploration grant	-	120,000
Refunds	8,564	5,037
Rental income	-	7,000
Total for the period	210,102	677,491

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: ISSUED CAPITAL

	31 December 2019	30 June 2019
	\$	\$
<i>Issued and paid up capital</i>		
Fully paid ordinary shares	24,234,892	24,234,982
	Six months to 31 December 2019 Number	Year to 30 June 2019 Number
<i>Movements in fully paid shares on issue</i>		
At beginning of period	136,055,432	110,850,822
Issued in consideration for tenements	-	1,333,333
Issued on conversion of options	-	500,000
Issued to drilling contractor	-	2,962,962
Issued for cash	-	20,408,315
Balance at end of period	136,055,432	136,055,432
	Six months to 31 December 2019 Number	Year to 30 June 2019 Number
<i>Movements in options over ordinary shares on issue</i>		
Unlisted		
Balance at beginning of period	18,500,000	19,870,000
Issued during the period	9,450,000	5,550,000
Exercise of options during the period	-	(500,000)
Expiry of options during the period	(12,950,000)	(6,420,000)
Balance at end of period	15,000,000	18,500,000

NOTE 5: RESERVES

	Six months to 31 December 2019	Year to 30 June 2019
	\$	\$
Share-based payment reserve		
Balance at beginning of period	1,460,375	1,309,172
Exercise of options during the period	-	(21,352)
Expiry of options during the period	(792,369)	(495,451)
Issue of options during the period	217,694	668,006
Balance at end of period	885,700	1,460,375

Share-based payment reserve

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

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: CONTINGENT ASSETS AND LIABILITIES

As part of the agreement entered into with New World Cobalt Limited to acquire the West Kimberley project ("the project") the following contingent liabilities apply:

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

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

Other than the above, there has been no change in contingent liabilities or assets since the last annual reporting date.

NOTE 7: SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the balance date the Company held a general meeting at which shareholders approved 3 transactions, details of which were disclosed in the ASX announcement dated 2 October 2019.

The 3 transactions include the divestment of a majority stake in 2 projects and the variation of rights under another project in exchange for \$1,275,000 cash initially and a possible additional \$1,500,000 in deferred payments.

Other than the above, no matter or circumstance has arisen which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8: COMMITMENTS

Exploration commitments

In order to maintain current rights of tenure to mining tenements and permits, the Company has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	31 December	30 June
	2019	2019
	\$	\$
Within one year	1,412,720	543,500
Later than one year but not later than 5 years	5,650,880	2,174,000
	<hr/> 7,063,600	<hr/> 2,717,500

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

BUXTON RESOURCES LIMITED


DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the period from 1 July 2019 to 31 December 2019.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'SC', with a stylized flourish extending to the right.

Seamus Cornelius

Director

Perth, 13th March 2020



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005

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Phone (08) 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Buxton Resources Ltd

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Buxton Resources Ltd for the period ended 31 December 2019.

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

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2019 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Buxton Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

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

Conclusion

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

- giving a true and fair view of the financial position of the company as at 31 December 2019 and of its performance for the period ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham R Swan FCA

Dated 13 March 2020

