

ASX Release

23<sup>rd</sup> January 2015

## **Quarterly Activities Report for the period ending 31 December 2014**

### **Highlights**

#### **Zanthus Ni & Cu – Fraser Range**

- MLTEM survey identified several new conductors that represent priority targets for massive nickel-copper sulphide mineralisation
- Six RC holes completed for a total of 1,128m confirming a fertile system with presence of several zones of finely disseminated magmatic nickel-copper sulphides over a larger spatial extent
- Very high resolution aeromagnetic data acquired to assist in detailed definition of geological framework
- Next phase of drilling to test new MLTEM targets planned for H1 2015

#### **Yalbra Graphite – Gascoyne Region**

- Tonnage almost doubled in updated resource estimate for Yalbra:  
**4.0 million tonnes @ 16.2% TGC (Inferred)**  
**650,000 tonnes contained graphite**
- Buxton believes this to be the highest reported grade JORC graphite resource in Australia
- Significant potential to expand resource along strike and at depth
- Metallurgical program underway with results planned to feed into study due to start in early 2015

### **Corporate**

- Eamon Hannon appointed Chief Executive Officer
- Cash balance (31 December 2014) of \$2 million
- Hartleys Limited Issues Research Note
- Voluntary reduction of remuneration to Board and CEO

## Zanthus – Fraser Range (100% BUX)

The Company's 100% owned, highly prospective Zanthus Ni-Cu Project is located 60km along strike from Sirius Resources' Nova-Bollinger Ni-Cu discovery in the Fraser Range Nickel province, Western Australia.

Buxton completed a reverse circulation (RC) drill program, aircore (AC) drill program, a moving-loop electromagnetic (MLTEM) survey and a detailed aeromagnetic survey at its Zanthus Project.

Petrographic studies on the mafic-ultramafic rocks intersected confirmed the presence of early 'primary' magmatic nickel-copper sulphides at several locations (Figure 3). Detailed geological, geophysical, petrological and geochemical studies are continuing on these targets to better understand the mafic-ultramafic magmatic system.

The MLTEM survey defined seven new electromagnetic conductors at Zanthus (Figure 1 & 2). Two of these significantly conductive bodies are deemed high-priority targets for potential magmatic nickel-copper sulphide mineralisation. Buxton plans to drill test these new targets in the first half of 2015.

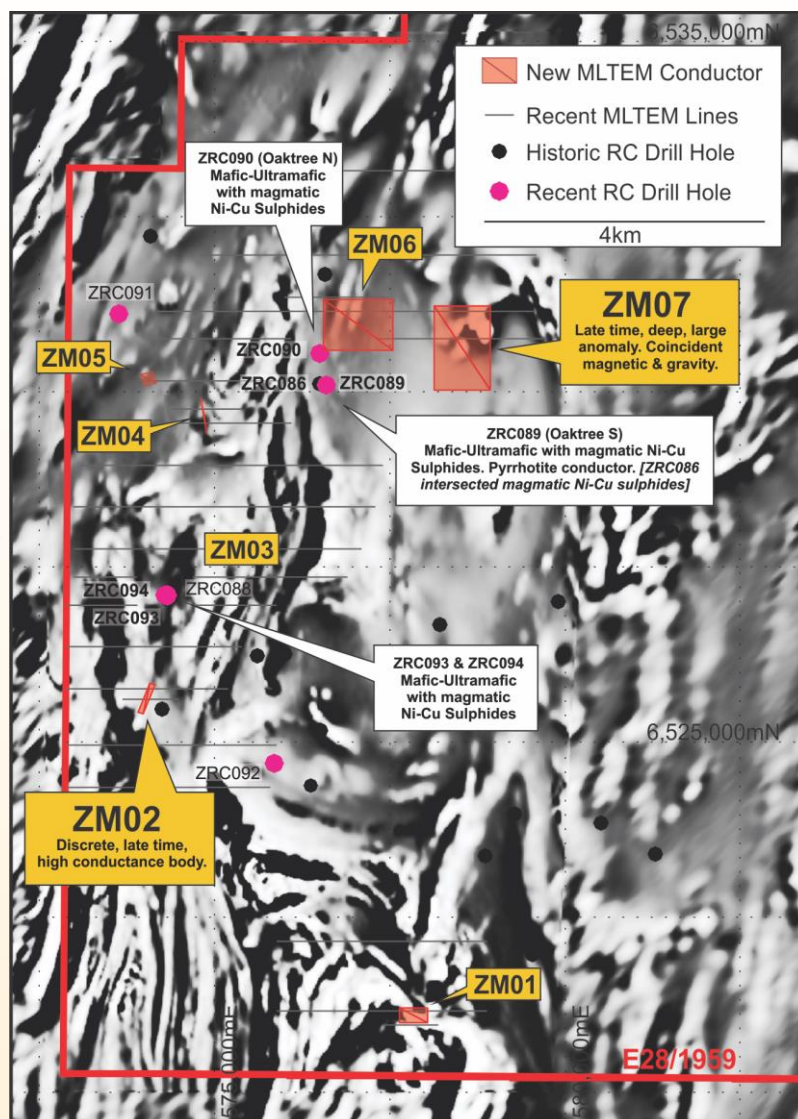


Figure 1. Location of new MLTEM conductors (e.g., ZM07), recent MLTEM lines, recent RC drill holes (magenta), previous drill holes (black), over recent airborne magnetics (1VD). Also highlighting drill hole locations with magmatic nickel-copper sulphides

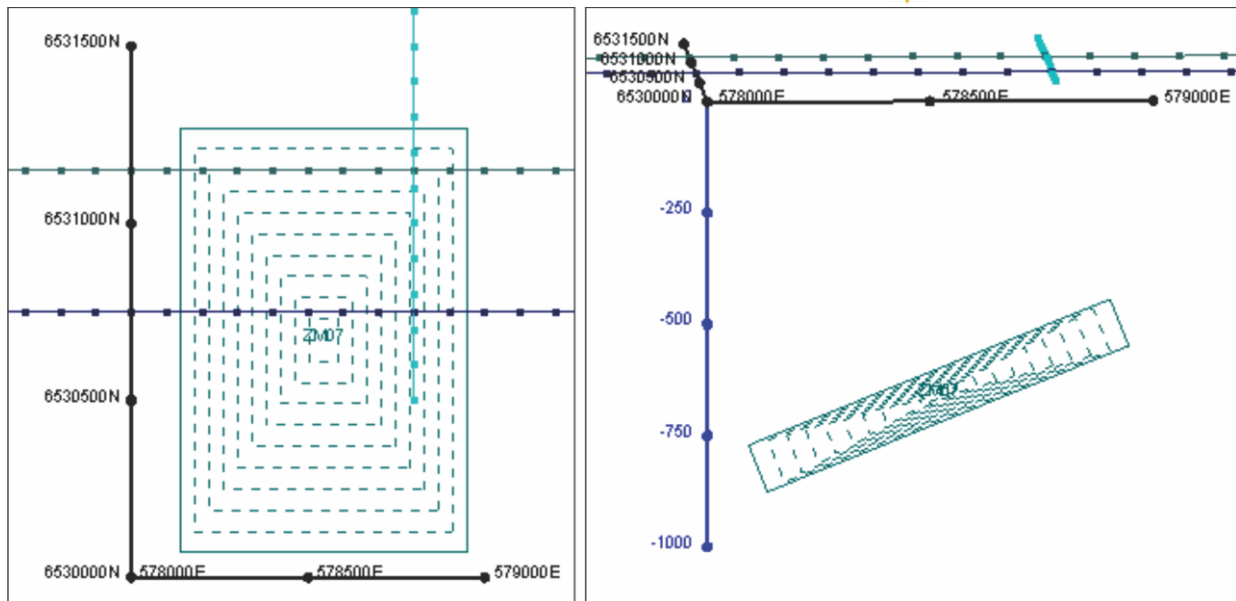


Figure 2. New (high priority) MLTEM target ZM07, showing modelled conductor and MLTEM lines and stations. Left: plan view, Right: oblique section

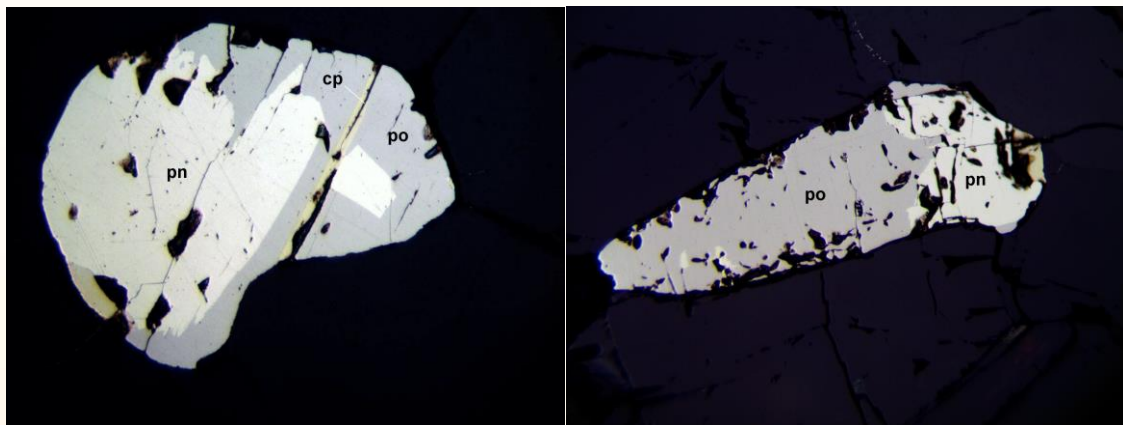


Figure 3. Photomicrographs of magmatic nickel-copper sulphides from the recent RC drilling at the Zanthus Project. Left: ZRC089, 256-257m, Pn (pentlandite), Cp (chalcopyrite) & Po (pyrrhotite) bleb, field of view 225 microns (50x), Right: ZRC094, 80-81m, Po & Pn bleb, field of view 600 microns (20x)

**Figure 5. Map of Main Zone at Yalbra showing intercepts of very high grade graphite, simplified geology and the area of the updated Inferred Mineral Resource.**



The initial JORC (2012) Code Reported Mineral Resource estimate for the Yalbra graphite project has been expanded significantly. Very high-grade graphite occurs within multiple zones over greater than 600m of strike length and is open at depth and along strike. A significant portion of graphite in petrographic samples is shown to have medium to coarse flakes.

Buxton is focusing on completing its metallurgical test-work program to determine potential product specifications and marketability of the concentrate.

## **Corporate**

On 28<sup>th</sup> October, the Company announced the appointment of Eamon Hannon as Chief Executive Officer.

Mr Hannon, a geologist and Fellow of the AusIMM, has a wealth of experience within the minerals industry from grass roots exploration through to project development., Having previously worked for Fortescue Metals Group (ASX: FMG) from early 2004 to late 2012 in the role of Director, Exploration and Evaluation, he lead the teams to delineate in excess of 10 billion tons of iron ore resources and greater than 1 billion tons of iron ore reserves.

On 17<sup>th</sup> December, Buxton announced that leading Australian broking and corporate advisory firm, Hartleys Limited, has updated their research coverage on the Company following the announcement of New EM Targets at the Zanthus Nickel-Copper Project.

A full copy of the research note is available for download on the Company's website <http://buxtonresources.com.au/investor-centre/broker-research.html>

Cash balance as at 31<sup>st</sup> December 2014 of \$2 million sees Buxton well-funded into 2015.

As part of a range of cost savings which have been identified, the Chairman has elected to reduce his fees by 50% (from \$80,000 to \$40,000) and the Non-Executive Directors have elected to reduce the level of their fees by 37.5% (from \$40,000 to \$25,000). This reduction in fees will take effect from 1 January 2015.

The CEO, Eamon Hannon, has also elected to reduce his Fixed Annual Remuneration by 25% (from \$120,000 to \$90,000). A summary of the key terms of Mr Hannon's revised employment agreement is attached in Appendix 2.

## **For further information please contact:**

### **Eamon Hannon**

Chief Executive Officer

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### **Sam Wright**

Company Secretary

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## **Competent Persons**

*The information in this report that relates to exploration results and geology is based on information previously compiled and/or reviewed by Dr Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director for Buxton Resources Limited. Dr Stephens has sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear. There have been no material changes to the information reported in the previous reports.*

*The information in this report that relates to in-situ Mineral Resources is based on information compiled by David Williams of CSA Global Pty Ltd and previously reported 25/2/2014. David Williams is a Member of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). David Williams previously consented to the inclusion of such information in the previous report in the form and context in which it appeared. There have been no material changes to the information reported in the previous report.*

## Appendix 1: Changes in interests in mining tenements - Buxton Resources Ltd

01/10/14 - 31/12/14

Interests in mining tenements relinquished, reduced or lapsed	Tenement	Location	% at beginning of quarter	% at end of quarter
	E63/1684	Dempster	100	0
	E70/4563	Bridgetown	100	0

Interest in mining tenements acquired or increased	E63/1720	Dempster	0	100

The mining tenements held at the end of the quarter and their location	E 28/2201	Zanthus	100	100
	E 28/1959	Zanthus	100	100
	E 63/1595	Dempster	100	100
	E 63/1582	Dempster	90	90
	E63/1720	Dempster	0	100
	ELA 63/1675	Dempster	100	100
	ELA 63/1676	Dempster	100	100
	ELA 63/1677	Dempster	100	100
	ELA 63/1685	Dempster	100	100
	ELA 63/1686	Dempster	100	100
	ELA 63/1687	Dempster	100	100
	ELA 63/1688	Dempster	100	100
	E 09/1985	Yalbra	85	85
	E 09/1972	Yalbra	90	90
	E 09/2022	Yalbra	100	100
	ELA 09/2101	Yalbra	100	100
	ELA 66/87	Northampton	100	100
	ELA 66/88	Northampton	100	100
	ELA 77/2237	Yilgarn	100	100
	ELA 77/2238	Yilgarn	100	100

### Abbreviations and Definitions used in Tenement Schedule:

E Exploration Licence

ELA Exploration Licence Application

## Appendix 2: Key terms of employment agreement with Mr Eamon Hannon

Appointment	As Chief Executive Officer of Buxton Resources Limited.
Term	The appointment of the CEO will be for a period of 12 months, upon which time the Board will conduct a performance review.
Salary	\$90,000 p.a. (exclusive of superannuation)
Short Term Incentive	No Short Term Incentive is provided for.
Long Term Incentive	Mr Hannon was issued with 1,000,000 unlisted options in the Company (Expiry 7/11/18, Exercise Price 24c)
Notice	At any time either Party may terminate this Agreement without cause on 1 month's written notice.
Termination Payment	There is no termination payment over and above the Company's statutory obligations.