

Quarterly Activities Report for period ending 30th September 2016

Highlights

Double Magic Project Ni & Cu – West Kimberley

- A large, advanced Induced Polarisation (IP) and Resistivity survey was completed at Double Magic
- Significant steps made in better understanding the structure, litho-geochemistry, geophysics and genesis of mineralisation across the project and at the Merlin Prospect
- Initial results from the 3D IP survey indicate a very large, previously-unknown body of chargeable material is present at depth under the entire Merlin prospect
- First modelling indicates a flat-lying pipe-like body >2 km long between approximately 60m to 400m below surface, extending to beyond 500m depth at the eastern end
- This body has so far been intersected only at the very top, by 2 holes (DMRC0004, DMDD0003), confirming the presence of Ni-Cu sulphides with 18m @ 0.51% Ni 0.21% Cu, and 9.6m @ 0.59% Ni, 0.21% Cu
- Interpretation and integration of datasets has now commenced

Sentinel Project Ni & Cu – West Kimberley

- Buxton's wholly owned E04/2408 Sentinel Project is located approximately 110km along strike to the southeast from the Double Magic Project
- An initial field reconnaissance trip to the Sentinel Project was undertaken during July, with regional geological and litho-geochemical traverses completed. Rock chip samples have also been collected for petrographic review. Assessment of results is ongoing.

Zanthus/Widowmaker Project Ni & Cu – Fraser Range

- Formation of Fraser Range Joint Venture with Independence Group (ASX: IGO)
- Buxton has received \$1.5 million payment for 90% interest
- Buxton is free carried by IGO for all expenditure until a Decision to Mine
- Significant financial resources of IGO to undertake aggressive exploration campaign for world-class nickel deposits in the Fraser Range
- Buxton retains exclusive right to explore and develop iron ore

Corporate

- Cash balance (30 September 2016) of approximately \$2.3 million

Double Magic Ni & Cu – West Kimberley

During the quarter, Buxton confirmed that the most attractive exploration target at Double Magic is a primary magmatic Ni-Cu sulphide deposit. Conceptually, this is likely to be a core of high-grade stringer or net-textured sulphides within a larger disseminated envelope (see Figure 1 below). Remobilised massive sulphide veins may or may not be present anywhere within several hundred metres.

Figure 1 – Disseminated primary Ni-Cu sulphides in hole DMDD001 (56.37-56.53 metres, HQ3 61mm diameter) at the Merlin Prospect. This mineralisation is non-conductive and cannot be detected by TEM.



Previous electrical surveys in the region have been confined to various types of Transient Electro-Magnetic (TEM) surveys such as VTEM, FLTEM and DHTEM. These surveys have effectively detected highly conductive but thin veins of remobilized massive sulphide at Double Magic. Critically however, TEM may not detect high-grade but much less conductive stringer or net-textured “massive matrix” sulphide zones or pods, and will not detect disseminated sulphides, which have been found to be completely non-conductive.

Benchtop testwork on Buxton’s 2015 drillcore indicates even high-grade (>3% Ni) net-textured sulphide zones are only around 1/20th as conductive as the thin massive sulphide veins. The risk that extreme EM responses from remobilised massive sulphide veins could mask any response from primary Ni-Cu sulphides is considered by Buxton to be substantial, and real.

Induced Polarisation/Resistivity surveys measure electrical chargeability and resistivity properties of the rock mass, unlike TEM, which measures conductivity. Therefore, IP will detect the demonstrably chargeable disseminated, stringer, or net-textured zones but will not “see” distracting highly conductive bodies such as massive sulphide veins or graphite, for example.

Buxton chose to proceed with a ground-breaking IP survey at Double Magic because it has been recognized that the main exploration target type - primary magmatic sulphides - may not be detected by TEM, the only electrical survey technique applied in the region to date. Buxton’s pioneering use of IP represents a paradigm shift for exploration in the West Kimberley. This IP survey is using some of the highest powered transmitters available as part of a complex array laid out over approximately 67 kilometres of transmitting and receiving lines.

Results from the Induced Polarisation (IP) survey just completed are considered by Buxton to be outstanding.

This work has detected a previously unknown, very large body of moderately chargeable material at depth, beneath the entire Merlin prospect. The body appears to be >2 km long and at least several hundred metres across, ranging in depth between ~60 to 400m below surface. Adding to potential, this body appears to plunge down and be open beyond 500m depth at the eastern end, possibly indicating a magmatic feeder zone (see Figure 2).

At this early stage, Buxton considers that supporting surface and drillhole geochemistry, supporting geology, geometry and location of the body, as well as the structural/tectonic setting all indicate that the chargeable body will prove to be related to Ni-Cu sulphides within the Ruins Dolerite.

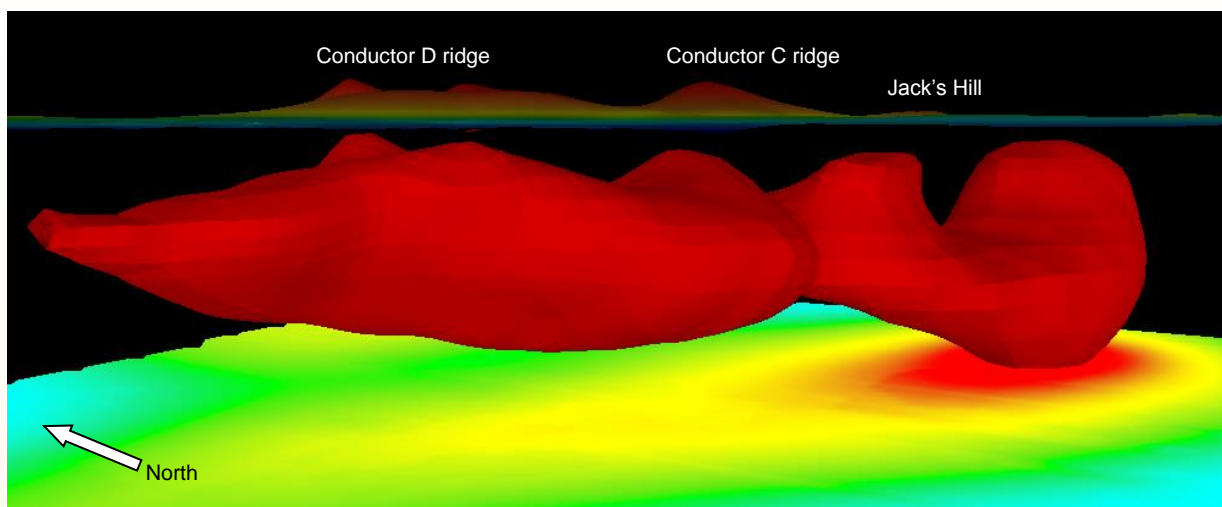


Figure 2 – Merlin IP survey volume looking north-east, chargeability iso-surface 20 mV/V displayed, topography above, horizontal model slice displayed at base is ~530m below surface (-420RL)

So far, only two drillholes have intersected this chargeability anomaly, being DMRC0004 and DMDD0003 drilled under Conductor C in 2015. Both holes may have just intersected the very top of the chargeable body (see Figure 3), returning intersections of;

- 18 metres @ 0.51% Ni, 0.21% Cu (DMRC0004 152-170m downhole, reported 2/11/15), and;
- 9.6 metres @ 0.59% Ni, 0.21% Cu (DMDD0003 142.4-152.0m downhole, reported 27/11/15).

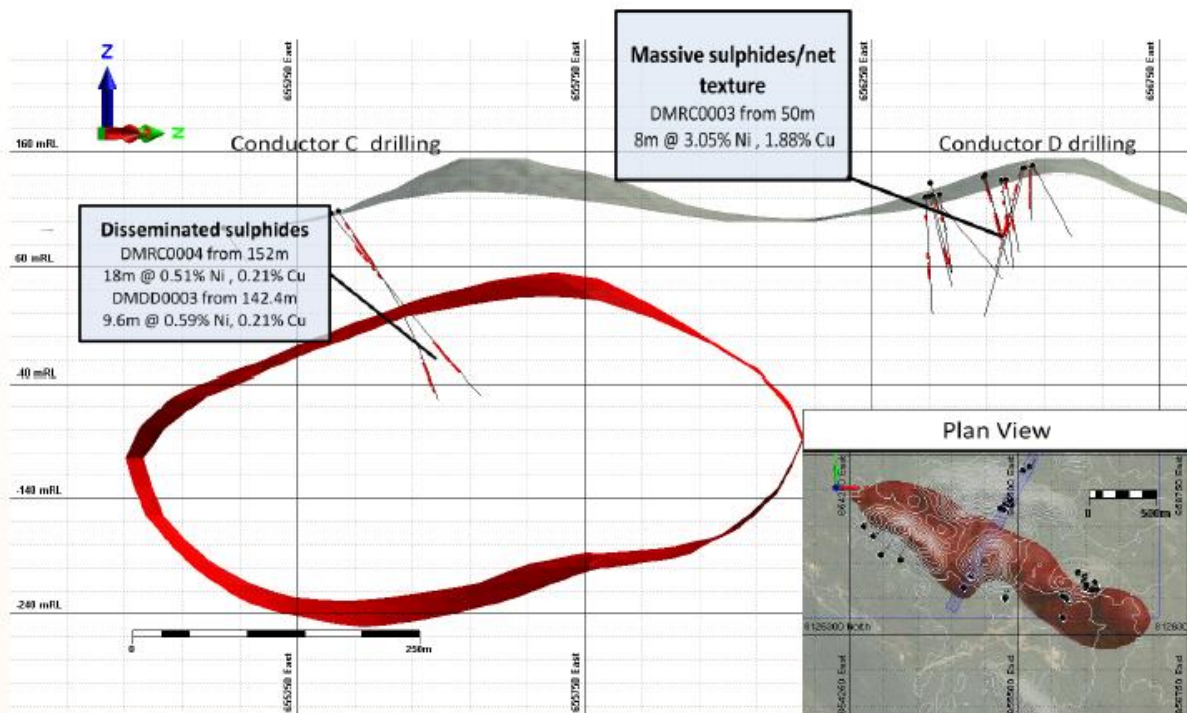


Figure 3 – Cross-section looking north-west showing chargeability iso-surface 20mV/V with drilling

This chargeable body may represent a large volume of mafic rock which is prospective for accumulations of nickel-copper sulphides. It exhibits irregular geometries in places, which may further enhance potential for sulphide accumulations.

Buxton reminds readers that this chargeability anomaly could represent a number of different geological entities, such as;

- Mafic rock with variable grade nickel-copper sulphide mineralisation
- Disseminated magnetite within later mafic rocks, or within surrounding schists, or
- Some other mass of chargeable rock of an unexpected nature.

However, considering the supporting surface and drillhole geochemistry, size, location, geometry, lack of magnetic expression of the body, possible geological model/s as well as the structural and tectonic setting, it is Buxton's opinion that that the chargeable body will prove to be a reflection of nickel-copper sulphides within a large volume of Ruins Dolerite.

The contraction and focussing to depth of the chargeability anomaly at the eastern end, extending beyond the depth of investigation, may suggest a magmatic feeder chamber to the more flat-lying portion. Importantly, previous shallow drilling targeting TEM conductivity anomalies appears to have largely missed these deeper targets.

Buxton believes this survey has dramatically enhanced the prospectivity of Double Magic for magmatic nickel-copper sulphide deposits and added a massive amount of information to the evolving 3D geological picture. These results have also validated the innovative use of high-power 3D IP at Merlin.

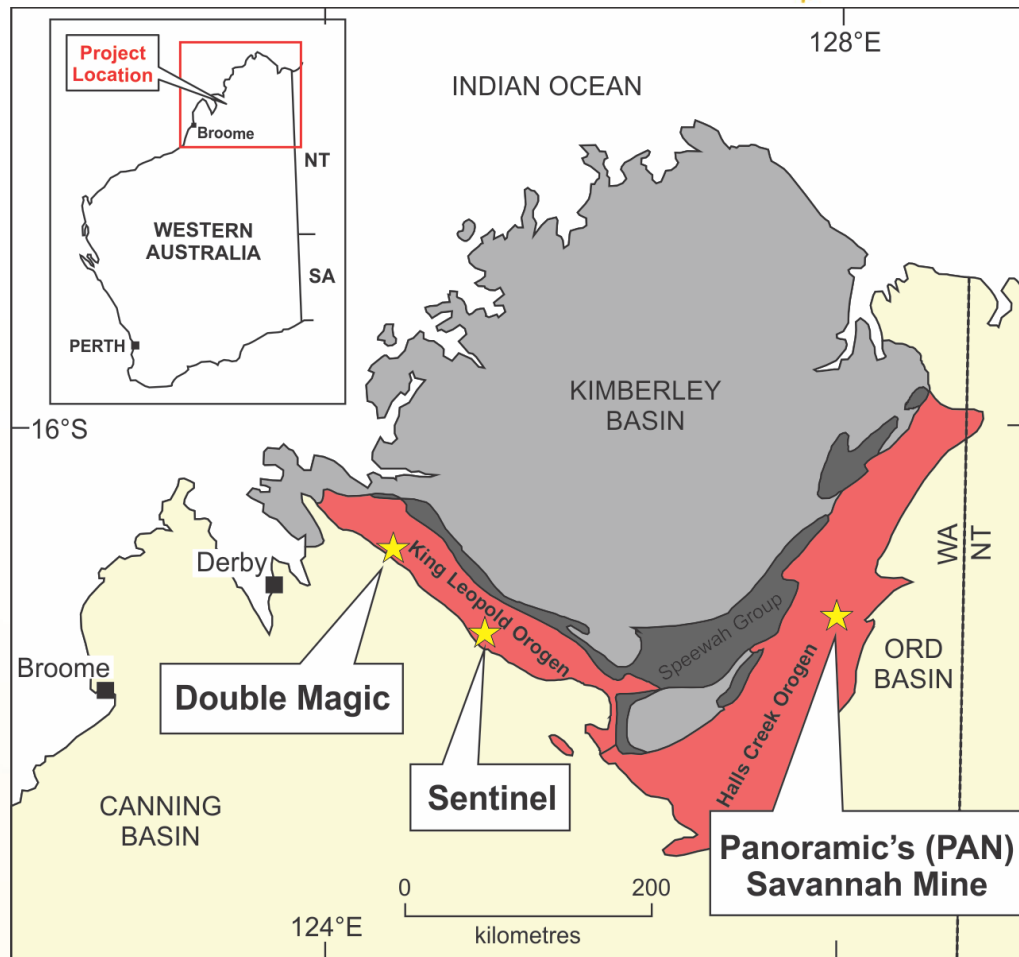


Figure 4 – Location of Buxton's two West Kimberley projects, also showing the location of Panoramic's Savannah Ni-Cu Mine

Sentinel Project Ni & Cu – West Kimberley

Buxton has taken advantage of a softer nickel price and quieter market sentiment during the first half of 2016 to consolidate the Company's strategic position, in the West Kimberley particularly. Leveraging off the Company's large and growing proprietary technical knowledge base, Buxton has pegged three new Exploration Licenses in the West Kimberley, being pending applications E04/2406, E04/2407 and the March 2016 granted E04/2408, now named Sentinel (see Fig 1 for locations of granted licenses).

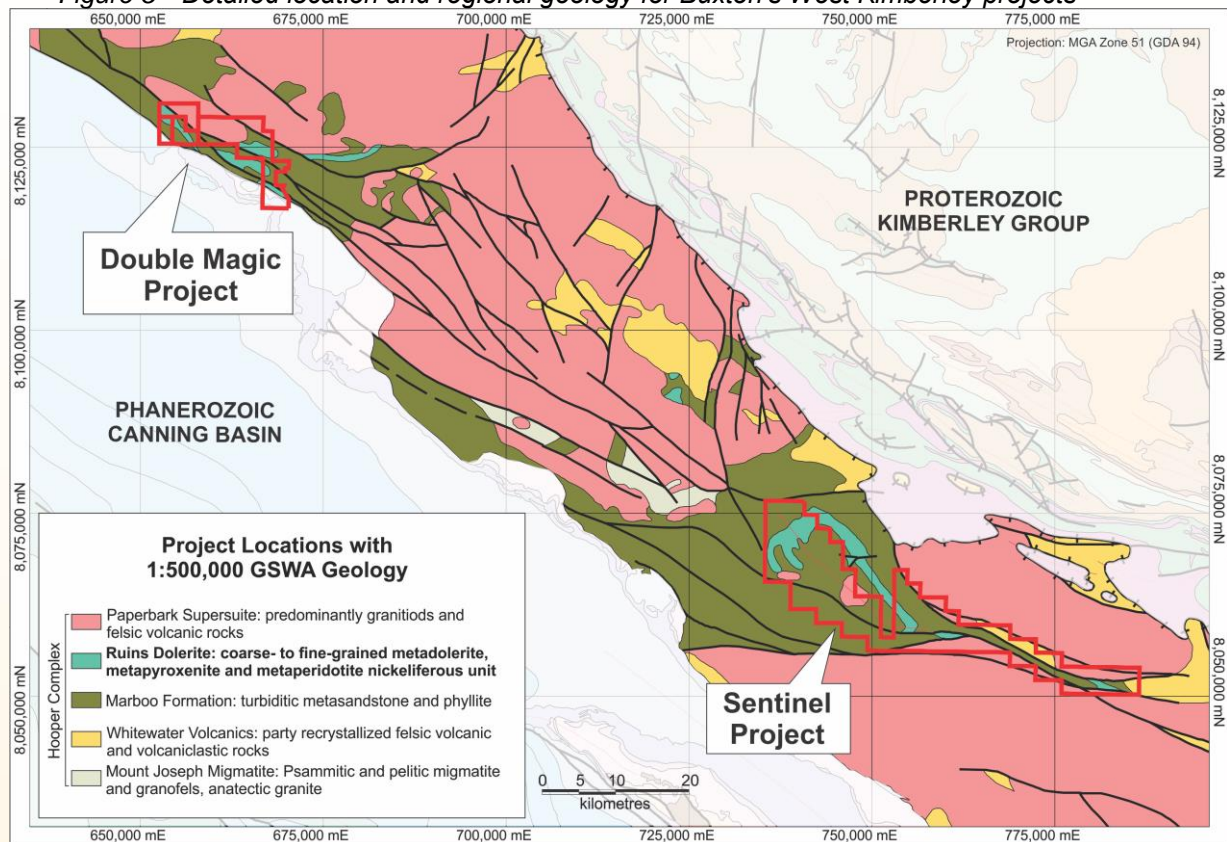
Buxton's wholly owned E04/2408 Sentinel Project was granted on the 16th of March 2016. The Project is located approximately 110km along strike to the southeast from the Double Magic Project (See Fig 5 overleaf for regional geology).

The ground was applied for based on the likely presence of prospective rocks assigned to the Ruins Dolerite, similar to the rocks seen at Double Magic. Buxton's 2015 results proved that the Ruins Dolerite does host better-than-economic Ni-Cu sulphide grades. The granted Sentinel Project, as well as other tenement applications made by Buxton in the Hooper Complex, all contain significant but under-explored mapped occurrences of Ruins Dolerite.

Not only does Sentinel contain significant quantities of mapped Ruins Dolerite, it has the only recorded occurrence of peridotite within the Ruins Dolerite (Derrick and Playford, 1973, Lennard River Explanatory Notes). Peridotite (an ultramafic rock predominantly composed of olivine and pyroxene) indicates a more primitive part of the magmatic system, typically the most prospective part of mafic-ultramafic systems for primary magmatic Ni-Cu sulphide mineralisation.

An initial field reconnaissance trip to the Sentinel Project was undertaken during July, with regional geological and lithogeochemical traverses completed. Rock chip samples have also been collected for petrographic review. Assessment of results is ongoing.

Figure 5 – Detailed location and regional geology for Buxton's West Kimberley projects



Zanthus/Widowmaker Project Ni & Cu – Fraser Range

On 24 August 2016, Buxton announced that it has entered into a joint venture agreement with Independence Group NL (ASX: IGO) in respect of its Zanthus (E28/1959) and Widowmaker (E28/2201) tenements (the Tenements) located in the Fraser Range, Western Australia (Figure 6).

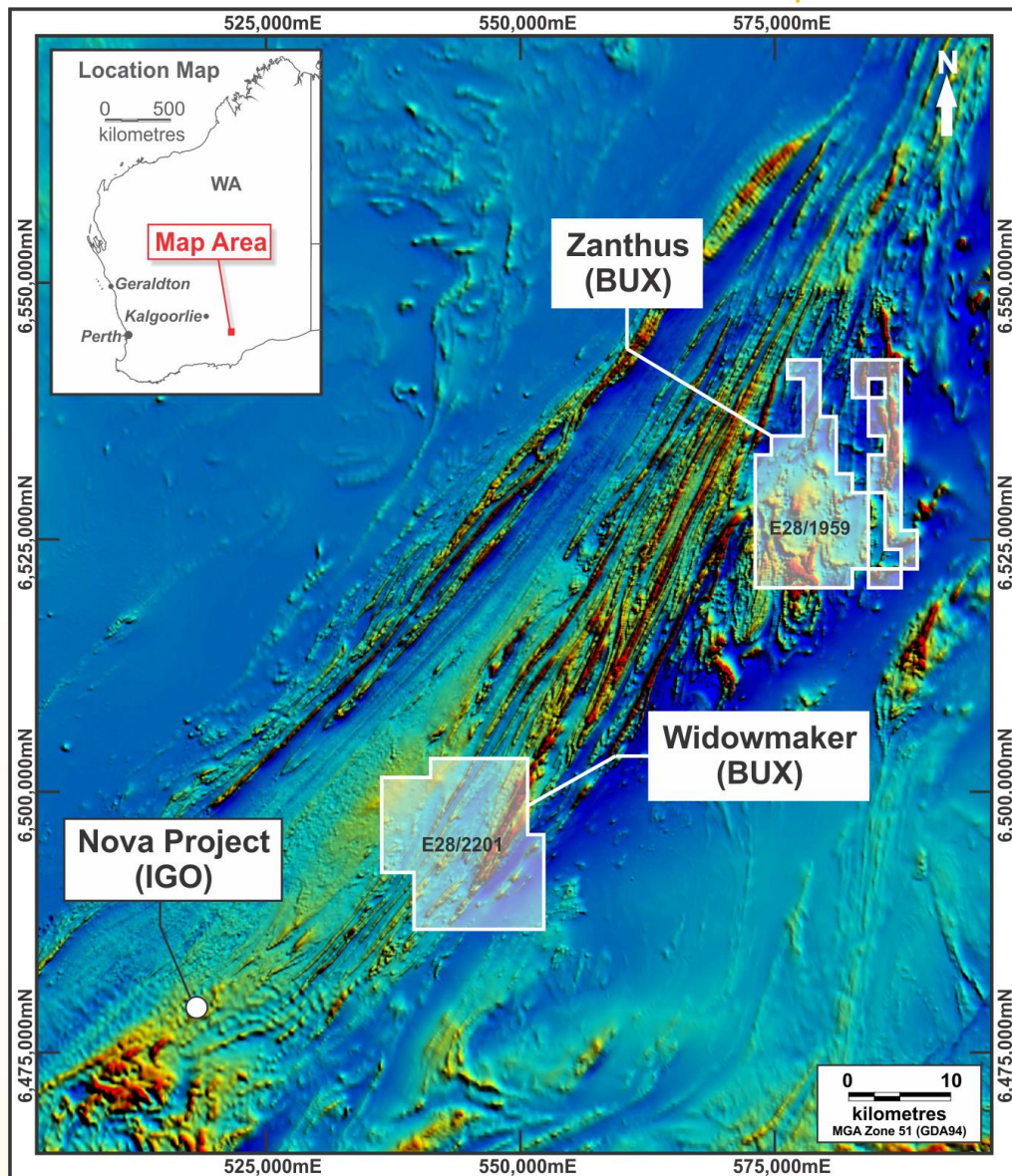


Figure 6: Location of the Tenements in the Fraser Range, Western Australia

Buxton's Managing Director, Mr Eamon Hannon said "The formation of this joint venture in the Fraser Range with Independence Group is a great result for Buxton shareholders. Buxton has received \$1.5 million in cash and will be free carried on all expenditure until a Decision to Mine is made on the Tenements – at which point Buxton will have a 10% interest in possibly a world-class nickel deposit. We are excited about the potential upside from this joint venture.

The Fraser Range is a highly prospective ground package, however requires the significant financial resources of a leading diversified mining house like Independence Group to undertake aggressive exploration campaigns.

The joint venture will enable Buxton to achieve considerable cost and administrative savings and help fast-track its highly promising flagship Double Magic Project in the Kimberley region of Western Australia."

Under the terms of the joint venture agreement, Buxton grants to IGO the sole and exclusive right to acquire a 90% interest in the Tenements by IGO immediately paying \$1.5 million in cash. Buxton will maintain a 10% interest in the Tenements.

Buxton and IGO will associate in an unincorporated joint venture for the purpose of exploring, and if warranted, developing and mining the Tenements in relation to all minerals other than iron ore. Buxton shall be free-carried by IGO until such time as a Decision to Mine is made in respect of the Tenements.

At this point, Buxton may elect to either participate in development by contributing capital pro-rata based on its JV interest, have its remaining 10% interest purchased by IGO for market value, or dilute to a Net Smelter Return Royalty (NSR).

The parties agree that IGO will grant to Buxton the exclusive right to explore and develop iron ore on the Tenements. The terms of such an exclusive right are to be finalised in a formal agreement to be entered into at the same time as the formal exploration joint venture agreement is completed.

Buxton's 100% owned Zanthus Magnetite Project is located on the Tenements and contains an Initial Inferred JORC Resource of 103.6Mt at 26.5% Fe, with good potential to expand the resource. The Zanthus Ni-Cu Project is located approximately 60km along strike from IGO's Nova Ni-Cu-Co Project in the emerging Fraser Range Nickel Province, Western Australia. The project covers an area of 367km². Gravity data was gathered over an area of 137km² of the potential gneiss units interpreted as being similar to those that host "the Eye" mafic - ultramafic intrusive that contains the Nova-Bollinger deposit.

Buxton's Widowmaker Project is also located in the Fraser Range and covers an area of approximately 225km². The Fraser Range Nickel Province is host to a number of significant discoveries, most notably IGO's Nova Project with Buxton's Widowmaker Project located 22km along strike.

Approximately 15km of strike length of the favourable lithological host-rock package is interpreted to underlie the Widowmaker Project with multiple, significant Ni, Cu and PGE anomalies identified in a historical calcrete soil sampling database.

Corporate

Buxton continues to meet all necessary expenditure needs and is, per usual, operating with demonstrable financial constraint and responsibility.

Cash balance as at 30 September 2016 was approximately \$2.3 million.

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Competent Persons

The information in this report that relates to exploration results and geology for the Double Magic Project is based on information previously reported under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled by Mr Rolf Forster, Member of the Australasian Institute of Mining and Metallurgy, and Mr Derek Marshall, Member of the Australian Institute of Geoscientists. Mr Forster is an Independent Consultant to Buxton Resources Limited and Mr Marshall is a full-time employee. Mr Forster and Mr Marshall have sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Forster and Mr Marshall consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to exploration results and geology for the Widowmaker and Zanthus projects is based on information previously reported under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled and/or reviewed by Mr Eamon Hannon, Fellow of the Australian Institute of Mining and Metallurgy and MD at Buxton Resources Limited. No material changes have occurred to this information. 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 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 report.

The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Russell Mortimer, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience Consultants Pty Ltd. Mr Mortimer is a member of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities 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 Mortimer consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Appendix 1: Changes in interests in mining tenements - Buxton Resources Ltd 01/07/16 – 30/09/16

Interests in mining tenements relinquished, reduced or lapsed	Tenement	Location	% at beginning of quarter	% at end of quarter
	E 28/2201	Widowmaker	100	10
	E 28/1959	Zanthus	100	10

Interest in mining tenements acquired or increased	E28/2620	Fraser Range	0	100

The mining tenements held at the end of the quarter and their location	E 28/2201	Widowmaker	100	10
	E 28/1959	Zanthus	100	10
	E 63/1595	Dempster	100	100
	E 63/1582	Dempster	90	90
	E 63/1720	Dempster	100	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	100	100
E 09/1972	Yalbra	90	90
E 09/2101	Yalbra	100	100
ELA 66/87	Northampton	100	100
ELA 66/88	Northampton	100	100
ELA 70/4730	Northampton	100	100
E 66/90	Northampton	100	100
E 66/91	Northampton	100	100
E 66/92	Northampton	100	100
ELA 77/2237	Yilgarn	100	100
ELA 77/2238	Yilgarn	100	100
E04/1533	Derby/West Kimberley	100	100
E04/2026	Derby/West Kimberley	100	100
E04/2060	Derby/West Kimberley	100	100
E04/2142	Derby/West Kimberley	100	100
E04/2408	Derby/West Kimberley	100	100
ELA 04/2406	Derby/West Kimberley	100	100
ELA 04/2407	Derby/West Kimberley	100	100
ELA 04/2411	Derby/West Kimberley	100	100
P04/269	Derby/West Kimberley	100	100

Abbreviations and Definitions used in Tenement Schedule:

E Exploration Licence ELA Exploration Licence Application P Prospecting Licence