

31 July 2009

## **Buxton Resources Limited**

ASX Code: **BUX**  
ABN: 86 125 049 550

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Northbridge WA 6003

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## **Capital Structure**

32.04 million shares  
8.75 million unlisted options

## **Board Members**

Michael Ivey  
Chairman

Ron Smit  
MD & CEO

Graeme Smith  
Non Executive Director  
Company Secretary



## **Summary & Highlights for the Quarter**

**Dempster Project** – Preparation is underway for an aircore drill program to commence late in the September quarter.

**Eelya Hill Project** – A field visit successfully located the collar position of ERC19; a copper & gold mineralised hole drilled in 1992 that tested an IP anomaly. This is a shallow massive sulphide intersection (3m at 6.9% Cu & 3.6 g/t Au from 39m) and the intent is to drill a deep hole directly beneath it. The Company is seeking a joint venture partner for this project.

**Zanthus Project** - A second tenement application was lodged to cover ground considered prospective for gold and base metal mineralisation. The main target is a buried magnetic dome adjacent to a north-south fault. There is no record of any previous exploration of this feature. Regional calcrete sampling approximately 1km to the south has reported elevated gold values (17 & 20 ppb gold).

**Corporate** – Cash at bank at June 30 was \$2.3 million.

## **Mineral Exploration Activities**

### **Dempster Project, Fraser Orogen WA (90% Buxton) E63/1114, E63/1120 – 1121**

No field work was undertaken on the Dempster Project during the quarter. Office activities involved the lodgement of a Program of Works for proposed drilling activities and an application for co-funding of drilling through the WA Government Exploration Incentive Scheme (EIS). The Company was unsuccessful in its bid for an EIS drilling grant, nonetheless the Company intends to drill its gold and nickel anomalies late in the September quarter.

## **Eelya Hill Project, Yilgarn Block WA (90% Buxton) E20/659, P20/2018**

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Field inspection was completed to locate old drill holes at the Eelya South volcanogenic massive sulphide (VMS) prospect. Importantly, the collar position of ERC19, a high-grade copper & gold mineralised hole was successfully located and its position was recorded by GPS. This hole was drilled in 1992 to test an IP anomaly and intersected a narrow band of massive sulphides (3m at 6.9% Cu & 3.6 g/t Au from 39m).

The collar positions of several other holes at this prospect had their position recorded by GPS. Recording the position of these earlier holes has enabled a better interpretation of the mineralised system. It is apparent from data collected so far that the mineralised zone is about 400m in strike length, 3 to 15m in width and has a shallow dip to the southeast (35°). It is now apparent that only a few of the historical holes tested the sulphide zone.

The strategy for this prospect is to drill a deep hole(s) directly beneath the best intersection (ERC19) which corresponds to the best known geophysical response. If positive results are returned then a ground electromagnetic survey would be recommended to determine the geometry and extent of the sulphide zone.

The Company is current seeking a joint venture partner to help fund the next phase of mineral exploration.

## **Zanthus Gold Project, Fraser Orogen, WA (100% Buxton) E28/1957A, E28/1959A**

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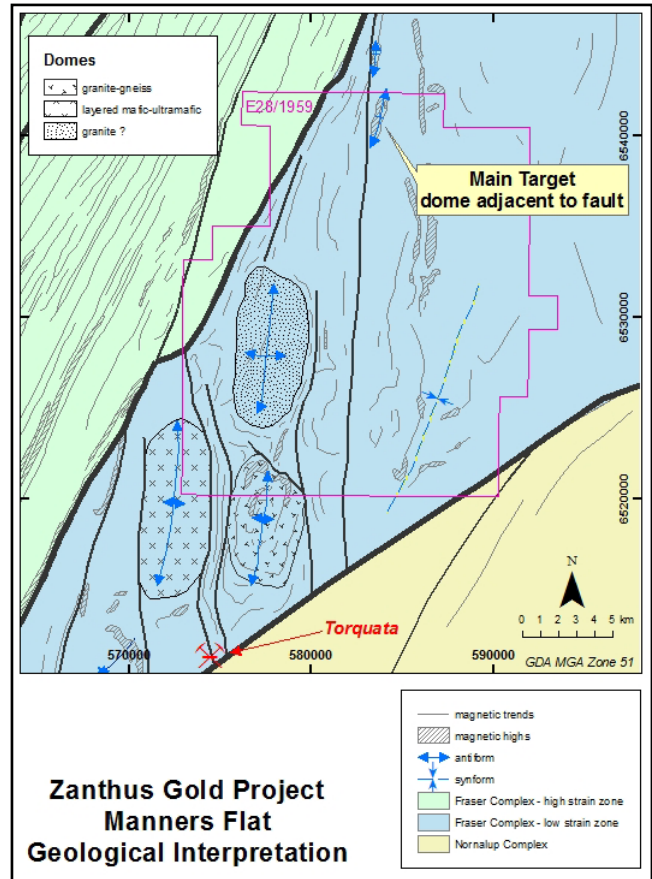
A second exploration licence application has been lodged for ground located 200 km north-east of Norseman, Western Australia. The Company now has two applications in place covering 597 sq. km of prospective ground. The grant of these exploration licence applications is expected at the end of the year.

The most recent application was selected because:

- it occurs within a major break in the gravity ridge of the Fraser Complex (i.e. it is a site of significant faulting that had the potential to act as a metal-fluid conduit);
- the geology of the area of interest is vastly different to the surrounding country rock. It is an area of low strain with large dome structures (massif block) compared to the high strain rocks more typical of the Fraser Complex (i.e. the preservation potential of a mineralized system in this environment is greater than that in a high strain terrane);

- the Torquata gold prospect is located 10km to the south where mineralisation is spatially related to north-south faults adjacent to domes. These faults penetrate into the application area and form corridors of interest. Torquata is a 1.8km long calcrete gold anomaly (at > 100ppb) where drilling has detected some patchy low-level gold mineralisation in cover rocks and the basement gneiss. It remains largely unexplained.
- structural analysis and an airborne magnetic interpretation have highlighted a magnetic dome (2500m long) adjacent to a NS fault as the main target of interest. There is no record of any previous exploration of this feature. Regional calcrete sampling approximately 1km to the south indicates elevated gold values (17 & 20 ppb gold). Secondary targets include folded magnetic stratigraphy adjacent to NS faults and previously identified but untested calcrete geochemical anomalies.

A recent field visit has established that calcrete geochemistry should be a suitable screening tool for concealed mineralisation. When the tenement is granted a semi-detailed calcrete sampling survey will be undertaken over the main target as well as selected secondary targets.



## CORPORATE

The Company continues to manage its cash reserves carefully and is in a sound financial position with cash at bank at the end of the quarter of \$2.3 million. The Company continues to review joint venture / acquisition opportunities as well as maintain its own project generation strategy.

There were no changes to the capital structure of Buxton Resources Limited during the quarter. The top twenty shareholders own approximately 64.4 % of the issued shares and the latest listing is posted on the Company’s website.

## Investments

The Company holds fully paid ordinary shares in the following ASX listed groups:

Company	Number of Shares
Atlas Iron Limited (AGO)	112,410

## Outlook for September 2009 Quarter

At Dempster, aircore drilling to test gold and nickel anomalies is planned for late in the quarter.

A joint venture partner will be sought for the Eelya Hill Project.

Project evaluation will continue.

For further information on Buxton Resources Limited please contact:

### Ron Smit

Managing Director

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*The Information in this report that relates to exploration results is based on information compiled by Ronald Smit, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Smit is a geologist and full-time employee of Buxton Resources Limited. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ronald Smit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Buxton Resources Limited**

ABN

86 125 049 550

Quarter ended ("current quarter")

30 June 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(54) - - (51)	(406) - - (304)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	142
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	40	40
<b>Net Operating Cash Flows</b>	<b>(47)</b>	<b>(528)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(47)</b>	<b>(528)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(47)	(528)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(47)	(528)
1.20	Cash at beginning of quarter/year to date	2,354	2,835
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,307	2,307

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	41
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
<b>Total</b>	<b>150</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	110	75
5.2 Deposits at call	2,197	2,279
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,307</b>	<b>2,354</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	32,040,010	24,673,760		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			Exercise price	Expiry date
	4,750,000	-	20 cents	30 June 2012
	4,000,000	-	30 cents	30 June 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 31 July 2009

Print name: **Graeme Smith**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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