

Quarterly Report

For the three months ending June 2008

Mineral Exploration Highlights for the Quarter

Dempster, Esperance - Gold

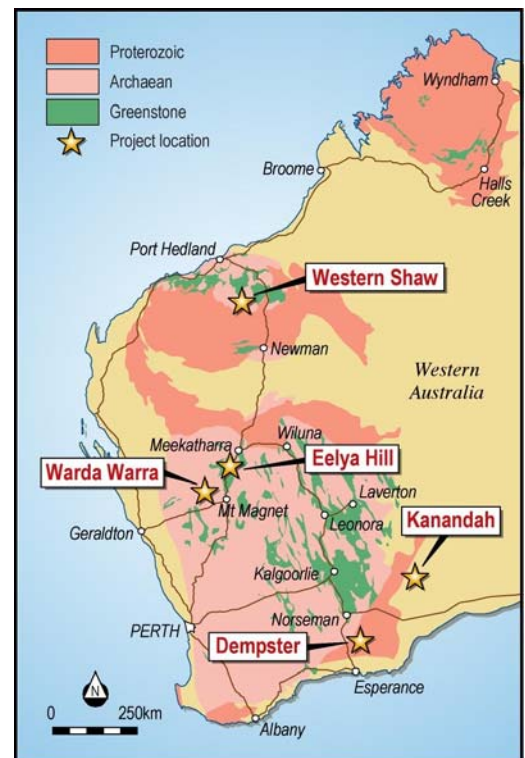
- Assay results were received for calcrete samples collected last quarter. Large low-level gold anomalies have been detected and infill sampling is planned for this quarter. A Heritage Survey and site works have been completed.

Kanandah, Eucla Basin – Lead & Zinc

- Four high priority geophysical targets have been selected for drilling following the completion of the gravity survey. An exploration licence application has been lodged to cover the adjoining ground to the south and west. Drilling is scheduled for this quarter.

Warda Warra, Murchison - Nickel

- Assay results were received for air-core holes drilled to test nickel laterite targets. A number of holes returned near surface nickel mineralisation; the best being Hole WWA28 which reported 14m at 0.97% Ni from 8m. A project review has been initiated.



Corporate Highlights for the Quarter

Western Shaw, Pilbara - Iron

- The company has sold its interest in this project to Atlas Iron Limited (AGO) for \$292,500 worth of AGO shares and a retained royalty.

ASX Code: BUX 32.04 million shares 8.75 unlisted options

Mike Ivey (Chairman), Ron Smit (MD/CEO), Graeme Smith (NED, Company Secretary)

Mineral Exploration Activities

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

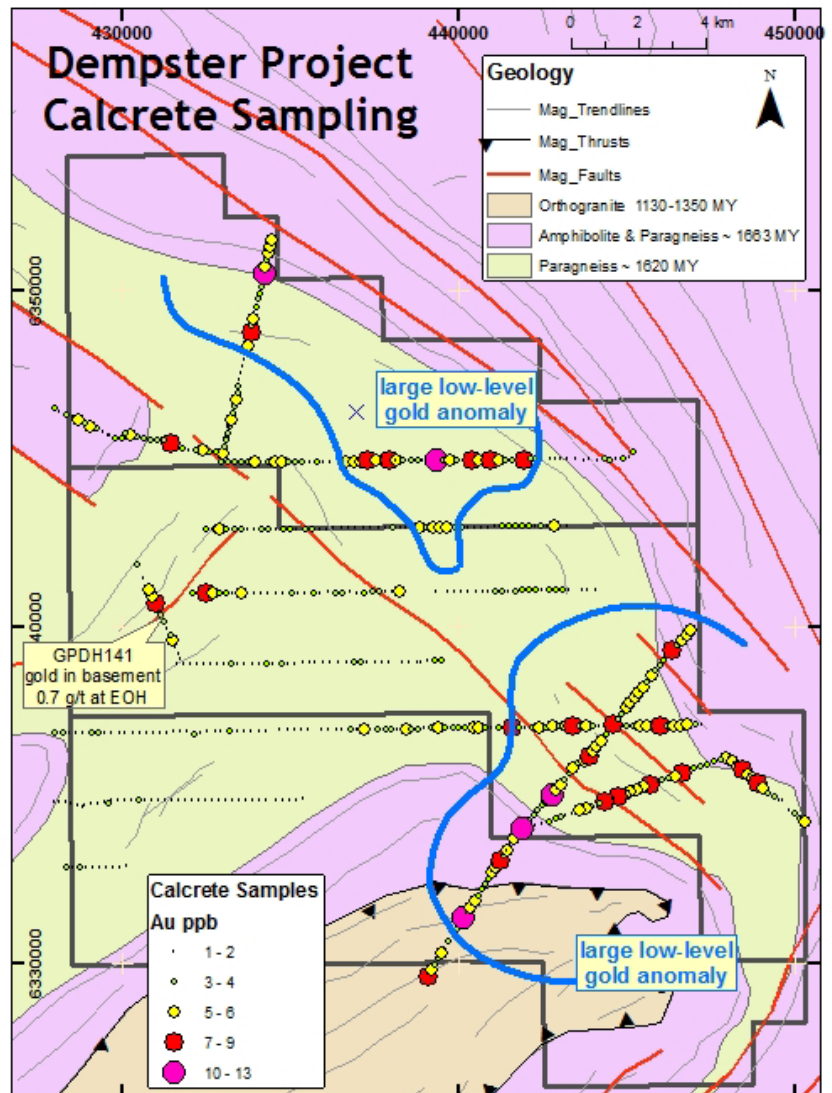
Background

The Dempster Project is 90 km north-northeast of Esperance and is being evaluated for gold mineralisation similar to the 4 million ounce Tropicana-Havana gold deposit. The Tropicana-Havana discovery was made by drill-testing a large low-level soil gold anomaly with a peak value of 32 ppb.

Historical mineral exploration work at Dempster has reported low-level gold in calcrete as well as a basement gold intercept from a reconnaissance air-core drill hole (0.69 g/t at the bottom of hole; 20-21m interval).

Calcrete Sampling

First-pass calcrete sampling to test for gold mineralisation has been completed on 2 km spaced east-west gridlines and existing access tracks. A total of 551 calcrete samples were collected at nominal 200m intervals along lines and results were reported on 23 May 2008 (ASX Announcement).



These results confirmed the presence of large low-level gold anomalies. The dimensions and shapes of the gold anomalies have not yet been determined due to the wide-spaced nature of the data. Many gold values above 5 ppb have been recorded with a peak value of 13 ppb. ***These results are considered highly significant as they are comparable in size and magnitude to the soil gold anomaly that led to the discovery of the Tropicana-Havana gold deposit.***

A Heritage Survey was completed in May 2008 to enable line clearing and site access. Subsequent to the quarter end, 40 line km of new track was completed and 96 additional calcrete samples collected. A contractor is being sought to complete the first pass calcrete geochemical survey.

Kanandah Base Metal Project, Eucla Basin WA (100% Buxton) E28/1773, E28/1857A

Background

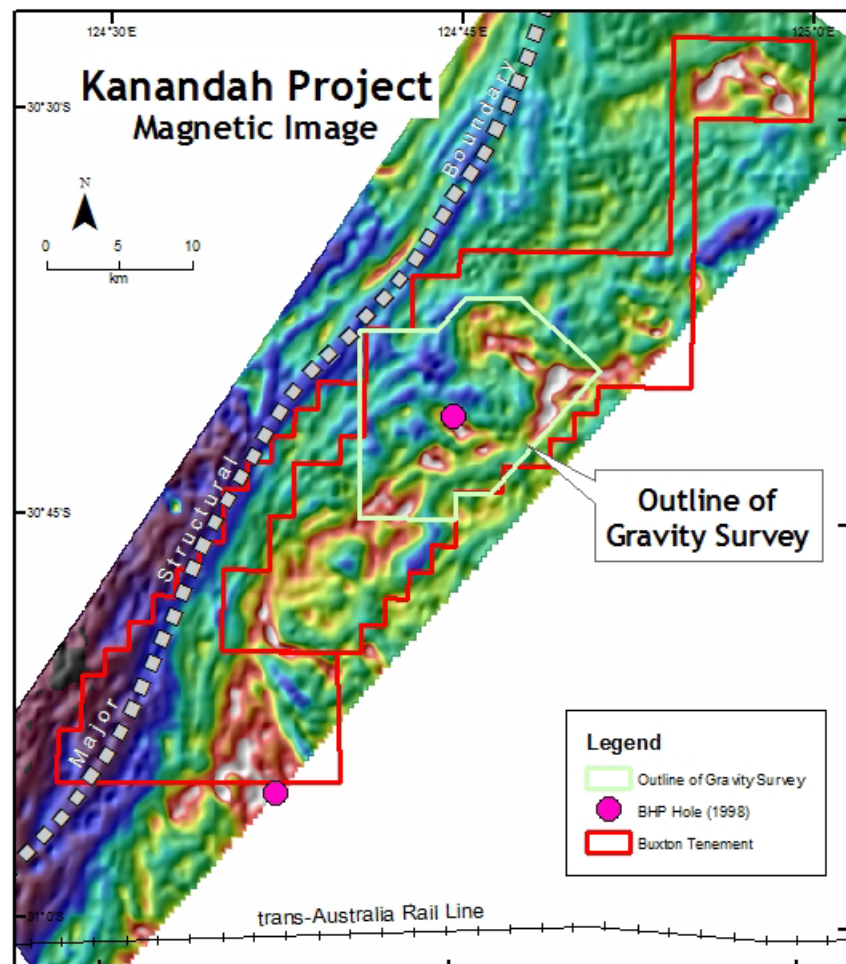
The Project is 300 km east of Kalgoorlie in the Eucla Basin, Western Australia and consists of a granted exploration licence and an exploration licence application that covers a total area of 731 sq km.

A shallowly buried (~150m), untested terrane consisting of high grade metamorphic rocks is considered to have the **potential to host very large silver-rich lead-zinc deposits of the Broken Hill- or Cannington-type**. The only mineral exploration hole drilled in the project area (1998) intersected a quartz-magnetite rock interpreted as a metamorphosed Banded Iron Formation. The abundance of manganiferous garnet and apatite in this drill hole are positive indicators as to the prospectivity of this un-explored rock package.

Gravity Survey

A gravity survey was completed in early May 2008 to complement the existing high quality airborne magnetic data (2006) and to assist in target selection. The survey covered an area of approximately 173 sq km and results were reported on 23 May 2008 (ASX Announcement).

Four high priority geophysical targets have been selected for drill testing. Selection has been based on their geophysical characteristics (gravity and magnetic), their geometry and their structural position.



Subsequent to the quarter end, a further 117 infill gravity stations were read to fine-tune the drill site position for these targets. Drill testing is expected to be undertaken this quarter subject to rig availability.

Warda Warra Project, Yilgarn Block WA

(90% Buxton E59/1157, P59/1853-1855; earning 80% E59/1119, 1128, 1130, M59/50, 207, 350)

The Project is located 280 km east-northeast of the port city of Geraldton and covers much of the Warda Warra Greenstone Belt.

Air-core Drilling

50 air-core holes were drilled for a total of 1,170m to test a range of nickel laterite targets on M59/207.

The best drill intercepts are as follows:

Hole	MGA_East	MGA_North	Interval (m)	Ni %	From (m)
WWA09	514549	6959387	14	0.69	Surface*
WWA24	513424	6961223	8	0.88	18
WWA28	513439	6961030	14	0.97	8
WWA43	513298	6959872	10	0.83	6*
WWA47	513691	6960425	8	0.81	8*

* to end of hole

It seems unlikely that the project has the capability of delivering a large tonnage modest grade (> 0.7% Ni) laterite nickel deposit. A review of data will be conducted this quarter.

Eelya Hill Project, Yilgarn Block WA (90% Buxton)

E20/659, P20/2018

No field activities.

CORPORATE

There were no changes to the capital structure of Buxton Resources Limited during the quarter. The Company has 32,040,010 fully paid shares on issue and 8,750,000 unlisted options (4,750,000 exercisable at 20 cents each and 4,000,000 exercisable at 30 cents each; all expiring on 30 June 2012). The top twenty shareholders own 62% of the issued shares. Cash reserves at end of quarter were \$2.8 million.

Subsequent to the quarter end the company agreed to sell its interest in the Western Shaw tenement (E45/2768) located in the East Pilbara to Atlas Iron Limited (AGO) for \$292,500 worth of AGO shares and a retained royalty (ASX Announcement, 30 July 2008).

For further information on Buxton Resources Limited please contact:

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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 2008

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	(281) - - (91)	(542) - - (335)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	39	157
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(333)	(720)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (3)	- - (50)
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)	-	(17)
Net investing cash flows	(3)	(67)
1.13 Total operating and investing cash flows (carried forward)	(336)	(787)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(336)	(787)
Cash flows related to financing activities			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	-	3,708
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) Share issue transaction costs	-	(368)
	Net financing cash flows	-	3,340
	Net increase (decrease) in cash held	(336)	2,553
1.20	Cash at beginning of quarter/year to date	3,171	282
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,835	2,835

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	64
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	300
4.2 Development	-
Total	300

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	108	83
5.2 Deposits at call	2,727	3,088
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,835	3,171

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	E28/1857	Application	0%	0%

+ 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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	32,040,010	24,073,760		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	4,750,000 4,000,000	- -	Exercise price 20 cents 30 cents	Expiry date 30 June 2012 30 June 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 2008

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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