ASX Release **13th July 2017**

DOUBLE MAGIC NI-CU PROJECT – RC DRILLING COMMENCED

- **Reverse Circulation (RC) drill rig on site, drilling has commenced**
- **Diamond Drilling (DD) drill rig expected on site this week**
- **Forthcoming work program set to fully test extents of the Merlin Ni-Cu mineralised system, with up to 10,000 metres of drilling**
- **Samples will be batched for laboratory submission, assay results will be received systematically in blocks during drilling**
- **High power DHTEM will be completed routinely on every hole**
- **At the Fireant prospect, detailed mapping and sampling was completed during June**

Buxton Resources Limited (ASX: BUX) is pleased to advise that the Reverse Circulation (RC) drill rig and crew has arrived and established safely onsite at the Double Magic project, Merlin prospect. RC drilling commenced yesterday, 9th July 2017. An HQ diamond core drilling rig is scheduled to be on site and drilling later this week. For location of the Double Magic project, see Figure 1 at the end of this announcement.

Buxton's 2015 discovery of high-grade primary magmatic nickel-copper sulphides at Double Magic (Merlin prospect) confirmed better than economic grades and thicknesses for the first time in the region. Widespread, near-surface >1% Ni sulphide mineralisation was intersected, with >3% Ni assays returned from three separate targets within the 3 km^2 Merlin prospect (ASX 27/11/15). This marked a historic turning point for mineral exploration in the West Kimberley.

The first two phases of drilling at Merlin were completed by September 2015. During 2016 Buxton de-risked future drilling by completing extensive further technical work and specialist studies, notably including an innovative high power pseudo-3D Induced Polarisation (IP) survey (ASX 24/10/16).

After a prolonged 2016-17 Wet season, Buxton has re-established site access and drilling has now begun at Merlin with up to 10,000m of both RC and DD from circa 30 holes to be completed. Drill targets fall into three distinct but often overlapping categories;

1) Step-out drilling around open, near-surface mineralisation identified by the 2015 drilling;
2) Testing down-dip extensions of the 700m continuous zone of primary Ni-Cu sulphides identified in outcrop during 2016 (ASX 2/11/16)
3) Testing deeper or conceptual geological and geophysical targets, including the large IP chargeability anomaly identified by Buxton in 2016.

Importantly, all EM conductors (airborne, surface and down-hole) drill tested to date at Merlin have proven to be related to nickel-copper sulphide mineralisation. Two 2015 holes also clipped the edge of the 2016 IP chargeability anomaly, these holes also intersected disseminated, magmatic Ni-Cu sulphides in prospective igneous mafic rocks.

Coupled with sulphide mineralisation in outcrop in two locations and the numerous, widespread high-grade Ni-Cu intersections in 2015 drilling (see Figure 2 below), Buxton is confident that the Merlin prospect represents a large, previously unknown magmatic Ni-Cu sulphide system. The 2017 program beginning now is designed to explore within that system.

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As a routine part of the drill program, gyro surveys will be conducted on all holes as well as high-power down-hole TEM (DHTEM) surveys. Drill samples will be submitted routinely in batches to laboratories in Perth. Significant assay results will be reported as they come to hand. Additional market updates will also be issued as required.

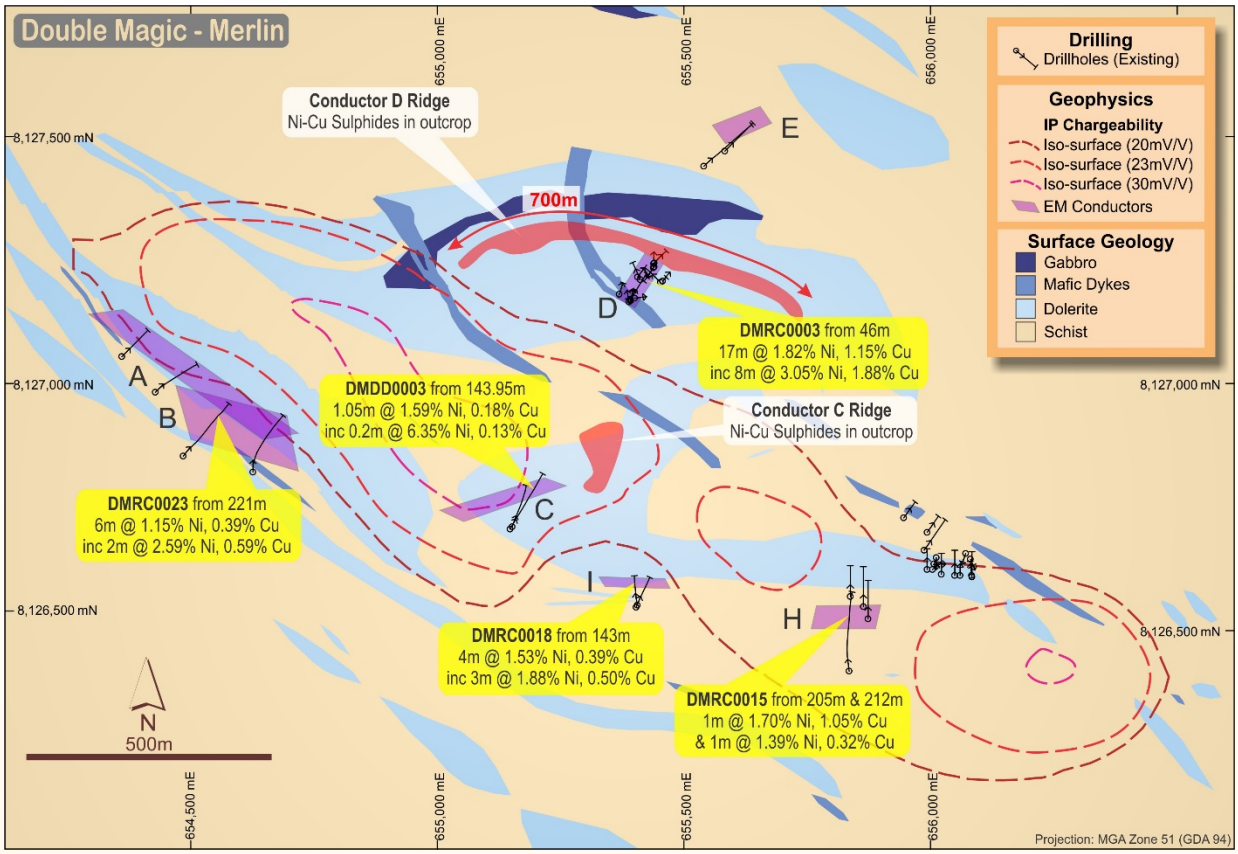

Figure 2 – Simplified geology, geophysical responses, and previously reported 2015 drillhole intersections, Merlin Prospect

As part of mapping and sampling completed during June at the Fireant prospect 15km to the east, several geophysical (VTEM) drill targets were upgraded in prospectivity. Large volumes of prospective igneous mafic rocks have now been outlined at Fireant. Traces of fine disseminated sulphides were seen in rocks prospective for magmatic sulphide systems, updip of several modelled VTEM conductor plates. A seventh combined geological and geophysical target was also added to the initial six Fireant conductors selected for drill testing, planned to be one initial hole per target.

Buxton looks forward to updating investors again soon during this exciting stage of work at Double Magic.

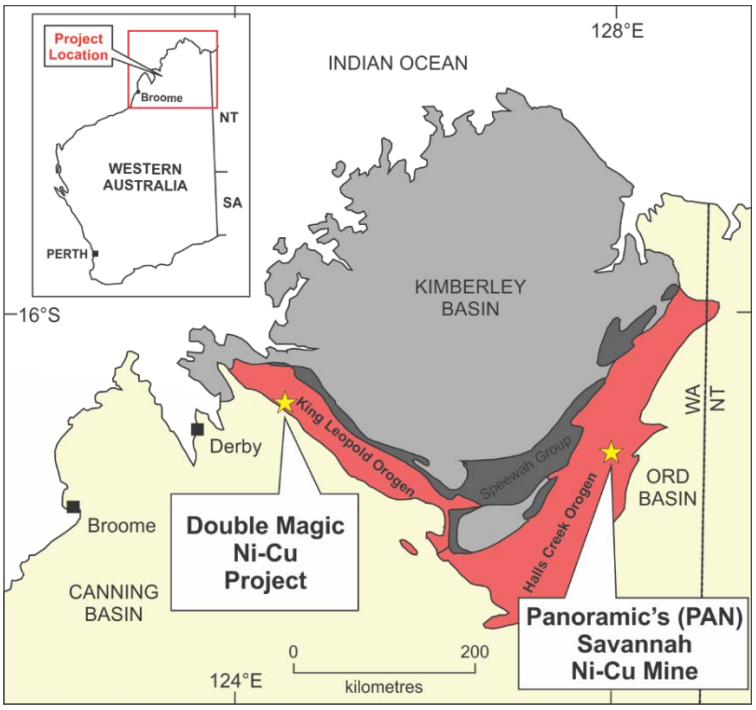

Figure 1 – Location of the Double Magic Ni-Cu Project in Western Australia. Also shown is the location of Panoramic's Savannah Ni-Cu Mine.

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Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Mr Rolf Forster, Member of the Australasian Institute of Mining and Metallurgy, and Mr Eamon Hannon, Fellow of the Australasian Institute of Mining and Metallurgy. Mr Forster is an Independent Consultant to Buxton Resources Limited and Mr Hannon is an employee and Director. Mr Forster and Mr Hannon 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 Hannon consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.