

**Buxton Resources (BUX)                      \$0.195/sh**

**Recommendation: Speculative Buy**

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Buxton Resources (BUX) \$0.195/sh Drilling Update: Large Magmatic Mineralised System Confirmed

### Event

- Buxton Resources (BUX) has provided an update on its 30-hole drill program to test a large IP anomaly (Merlin) at its Double Magic Project in the Kimberley region of Western Australia.
- Twelve of the 13 holes have intersected visible sulphides within Ruins Dolerite. The holes intercepted multiple zone of interpreted primary Ni-Cu sulphides within mafic-ultramafic rocks confirming a large complex magmatic system.
- Thus far, drilling has identified sulphides along 1,500m of strike and 500m down dip extent at Merlin, with visible sulphide mineralisation in multiple horizons – it remains open in all directions.
- First assay results are expected within 3 weeks. The source of the large IP anomaly remains undetermined.

### Impact

- We see today's release by BUX as encouraging with twelve of the 13 holes intersecting visible disseminated sulphides (interpreted as Ni-Cu sulphides) confirming a large Magmatic Ni-Cu system. However, we caution that assays results remain pending and are due within the next 3 weeks.
- Based on the table provided (Figure 1) twelve intercepts have been reported as having visible sulphide intercepts >5m over multiple zones with the average width per drill hole 23m. Hole DMDD0005 returned the largest intercept of visible sulphides at 99.3m (starting at 303m over multiple zones). DMDD0006 returned 55.6m of visible sulphides (starting at 33.2m over multiple zones)
- Given that the system appears to be a complex Magmatic Ni-Cu system more work will likely be required to unlock the best parts of the mineralised zones. Drilling remains ongoing.
- We retain our Speculative Buy rating.

Figure 1 – Visible Sulphide Intersections >5m down hole length.

Hole_ID	Easting	Northing	RL	azimuth	dip	From	To	DH Length
DMDD0005	655035	8126878	95	35	-80	303.8	310.55	6.75
						313.3	320.7	7.4
						322.9	328.7	5.8
						346.65	358.85	12.2
						361.6	369.8	8.2
DMDD0006	655431	8127068	106	35	-60	375.4	434.4	59
						32	45.1	13.1
						57.4	90.4	33
DMDD0007	655202	8127111	104	35	-60	106	115.5	9.5
						57	67	10
DMRC0025	655152	8127039	96	35	-80	178	184.6	6.6
						250	259	9
DMRC0026	654881	8127007	90	360	-90	298	306	8
DMRC0027	655351	8127091	103	35	-60	83	95	12
						215	220	5
DMRC0028	655598	8127139	108	35	-60	67	76	9
DMRC0029	655147	8127224	155	35	-60	178	184	6
DMRC0030	656240	8126351	102	35	-60	<i>No visible sulphides</i>		
DMRC0031	655072	8126719	99	35	-60	148	155	7
						170	178	8
						191	200	9

						217	226	9
						245	254	9
DMRC0032	654954	8127104	93	35	-60	114	122	8
DMRC0033	655490	8127151	117	35	-60	51	57	6
DMRC0034	655387	8127255	154	120	-60	16	34	18

**Disclosure: Patersons Securities acted as Joint Lead Manager to a Share Placement that raised \$4.7m at \$0.23/sh in May 2017. Patersons received a fee for this service. This analyst holds a beneficial interest in BUX.**

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