



PROSPECTUS

BUXTON RESOURCES LIMITED ACN 125 049 550

FOR THE ISSUE OF UP TO 25,000,000 SHARES
TO BE ISSUED AT A PRICE OF 20 CENTS PER SHARE TO RAISE UP TO \$5,000,000.

Shares offered by this Prospectus should be considered speculative and potential investors should refer to Section 5 for further details concerning the Risk Factors. This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

INVESTMENT SUMMARY

This section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. The Prospectus should be read and considered in its entirety.

Buxton Resources Limited ("**Buxton Resources**" or "**the Company**") has acquired a majority interest in five highly prospective projects within Western Australia.

Buxton Resources focus is base metals and gold exploration and development.

The Company's **Dempster Project** is well positioned in the emerging new Proterozoic gold belt east of Kalgoorlie that hosts the Tropicana-Havana Deposit and the Beachcomber Prospect. The Dempster Project contains a large untested surface gold anomaly in which a scout drill hole recorded gold mineralisation.

The Company's **Warda Warra Project** comprises a large land holding over a greenstone belt west of Cue which contains untested lateritic nickel mineralisation. Near surface zones grading + 1% nickel remain open and untested. Other ultramafic bodies in the belt are considered prospective for nickel sulphides.

Buxton Resources is searching for Volcanogenic Massive Sulphides east of Cue on its **Eelya Hill** property where known gold and base metal mineralisation is associated with gossans in felsic volcanics.

The **Western Shaw Project** is located in an under-explored greenstone belt in the Pilbara and is prospective for gold and nickel sulphide mineralisation.

The Company's **Kanandah Project** is located on the margin of the Eucla Basin and covers a buried metamorphic complex considered prospective for Broken Hill style mineralisation.

On listing, Buxton Resources plans to immediately initiate detailed airborne geophysical surveys and large surface geochemistry programs. Following this work, targets generated will be drill tested as soon as possible.

The Board has extensive and relevant experience in mineral exploration, mining and production, corporate compliance and finance matters.

The Board and management team will also seek out advanced opportunities that fit the technical and corporate strategy.

INDICATIVE DATES	
Lodgement of Prospectus with ASIC	23 July 2007
Opening Date	30 July 2007
Closing Date of Offer	24 August 2007
Despatch of Holding Statements	31 August 2007
Anticipated Date of First Quotation on ASX	7 September 2007

These dates are indicative only and may vary. The Company reserves the right to vary the opening and closing dates of the Offer without prior notice. Applicants are encouraged to apply as soon as possible after the Offer opens as the Offer may close earlier than the date specified above. The Company also reserves the right not to continue with the Offer at any time before the allotment of Shares to Applicants.



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IMPORTANT INFORMATION

This Prospectus is dated 23 July 2007 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. ASIC takes no responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date which is 13 months after the date of this Prospectus. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in the Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered speculative. Refer to Section 5 of this Prospectus for details relating to risk factors. Investors should seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a Offering of the Shares, in any jurisdiction outside Australia.

This Prospectus will be issued as an Electronic Prospectus and may be accessed on the internet at www.buxtonresources.com.au. The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus. During the Offer period, any person may obtain a hard copy of the Prospectus by contacting the Company.

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of seven days from the date of lodgment with the ASIC. This period may be extended by the ASIC for a further period of up to seven days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period. No preference will be conferred on Applications received in the exposure period and all Applications received during the exposure period will be treated as if they were simultaneously received on the date on which Applications open.

Figures disclosed in this Prospectus are exclusive of goods and services tax, unless otherwise disclosed.

Unless otherwise stated, items shown in this Prospectus are not assets of the Company.



CHAIRMAN'S LETTER

Buxton Resources has a balanced portfolio of projects ranging from advanced exploration plays with demonstrated mineralisation through to grassroots exploration projects aimed at delivering world-class deposits.



Dear Investor

On behalf of the Directors, it is my pleasure to offer you Shares in Buxton Resources Limited.

Buxton Resources is seeking to raise \$5,000,000 by the issue of 25,000,000 Shares at \$0.20 per Share. The funds raised by this Prospectus will be used for mineral exploration and evaluation work on the Company's projects and to assess other mineral opportunities which may arise.

Buxton Resources strategy and focus will be the discovery of world-class precious and base metal deposits. The Company has positioned itself into five projects which it believes have the capability of delivering such a discovery. The key to success will be rapid assessment and evaluation with increased funds directed to those projects which meet key decision points and exceed internal technical hurdles.

Buxton Resources has a balanced portfolio of projects ranging from advanced exploration plays with demonstrated mineralisation through to grassroots exploration projects aimed at delivering world-class deposits.

The most advanced of these is the Warda Warra Project where shallow nickel laterite mineralisation is known. It was discovered in the early 1970's and abandoned shortly thereafter because no sulphide nickel was found. At the time and to this day no attempt has been made to determine the extent of the nickel laterite mineralisation. This will change as Buxton Resources plans to drill wide-spaced traverses across the host ultramafic unit to establish if the laterite nickel mineralisation is capable of delivering a large tonnage of economic mineralisation.

The Company's other projects are all technically strong and offer excellent exposure to gold and base metals, the details of which are given in the Independent Geologist's Report in this Prospectus. In summary:

- the Dempster Project offers exposure to gold in an emerging new gold province;
- the Eelya Hill Project has open-ended base metal intercepts that require drilling and geophysics;
- the Western Shaw Project is an under-explored greenstone belt that offers gold and nickel potential; and
- the Kanandah Project is a conceptual grassroots play aimed at detecting a new base metal province under thick cover.

Early funding on these projects will be directed at collecting detailed geophysical data sets, geochemical data sets and drilling results.

The Directors and management are also mindful of looking beyond the Company's projects and will, where appropriate, expand the land holdings in those areas deemed to have the best mineral potential for world class deposits.

Buxton Resources has an experienced Board of Directors which brings together skills in mineral exploration and development, corporate compliance and finance matters.

Details of the Offer, including details of the Company's projects, management, risk factors, exploration programs and financial information are set out in this Prospectus. The information in this Prospectus is important and should be read with care.

On behalf of the Directors, I look forward to welcoming your subscription under this Prospectus.

Yours sincerely

Michael Ivey
Chairman

SECTION 1

DETAILS OF THE OFFER

1.1 Description of the Offer

By this Prospectus, Buxton Resources Limited invites investors to subscribe for a total of 25 million fully paid ordinary shares in the Company at an issue price of 20 cents each to raise \$5 million (the Offer).

1.2 Purpose of the Offer

The purpose of the Offer is to provide Buxton Resources with funding to drill and evaluate prioritised projects and identify potential acquisition opportunities. Further details on the Company's proposed use of proceeds of the Offer are contained in Section 3.

1.3 Minimum Subscription

The minimum subscription for the Offer is 15 million shares raising \$3 million. In accordance with the Corporations Act, no shares will be allotted by the Company until the minimum subscription has been received.

If the minimum subscription is not achieved within four months after the date of this Prospectus, the Company will either repay the Application Monies or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies.

1.4 Oversubscriptions

The Company does not intend to accept oversubscriptions.

1.5 How to Apply

If you wish to participate in the Offer, you should complete the Application Form enclosed with this Prospectus. Applicants may apply for a minimum parcel of 10,000 Shares (\$2,000) and thereafter in multiples of 2,500 Shares (\$500).

No brokerage or stamp duty is payable by Applicants in respect of their applications for Shares under this Prospectus.

The amount payable on application will not vary during the period of the Offer and no further amount is payable on allotment.

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus.

A duly completed and lodged Application Form will constitute an offer by the Applicant to subscribe for the number of Shares applied for pursuant to the Application Form.

Offer

Applications under the Offer can be made by completing and lodging the Application Form accompanying this Prospectus. The Application Form must be completed and payment made in accordance with the instructions set out on the reverse side of the Application Form.

Applications and Application Monies must be received by the Registry no later than 5.00pm (WDST) on the Closing Date, expected to be 24 August 2007 unless that date or time is varied. The Company may, in consultation with the Broker, at their discretion and without prior notice, close the Offer at an earlier date, extend the Offer, withdraw the Offer, vary the dates and times of the Offer, or accept late Applications.

Applicants are not required to sign the Application Form. The Company reserves the right to reject any Application Form which is not correctly completed or which is submitted by a person whom they believe may be an ineligible Applicant, or to waive or correct any errors made by an Applicant in completing any Application Form.

Application Forms must be accompanied by a cheque in Australian Dollars drawn on an Australian branch of an Australian bank. Cheques should be made payable to "Buxton Resources Limited – Share Account" and crossed "Not Negotiable". All amounts must be in cleared funds. Please do not send cash. Receipts for payment will not be issued.

Completed Application Forms and Application Monies can be mailed to the Registry or delivered in person. The following addresses should be used for mailing and hand delivery of Applications: If you are registered on the Issuer Sponsored Subregister, your statement will be dispatched by the share registry and will contain the number of securities allotted under the Prospectus and the Shareholder's Securityholder Reference Number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to shareholders at the end of any calendar month during which the balance of their holding changes. A shareholder may request a statement at any other time, however a charge may be made for additional statements.

Mailing Address	Or hand deliver to:
Buxton Resources Limited c/- Computershare Investor Services Pty Limited PO Box D182 Perth WA 6840	Buxton Resources Limited c/- Computershare Investor Services Pty Limited Level 2, 45 St George's Terrace Perth WA 6000

1.6 Allocation Policy

The allocation of Shares amongst Applicants will be determined by the Company at its absolute discretion. There is no assurance that any Applicant will be allocated any Shares, or all of the Shares, for which they have applied. To the extent that any Application is not satisfied in whole, Application Monies which have not been allocated will be refunded without interest. If the number of Shares applied for is greater than the number of Shares available, Applications will be scaled back.

The Company disclaims all liability, whether in negligence or otherwise, to persons not allocated Shares or allocated less Shares than they applied for.

1.7 Application Monies held in Trust

All Application Monies will be held in trust in a subscription account until allotment. The subscription account will be established and kept by the Company on behalf of the Applicants.

All interest earned on all Application Monies (including those which do not result in allotments of Shares) will be retained by the Company.

1.8 Australian Securities Exchange Listing

Application will be made by the Company to the ASX Limited ("ASX"), within seven days after the date of this Prospectus, for the Company to be admitted to the Official List and for admission of the Shares offered pursuant to this Prospectus to quotation on the Official List. If the Company is not admitted to the Official List and the Shares not admitted to quotation within three months after the date of this

Prospectus, all Application Monies will be refunded without interest. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the securities offered pursuant to this Prospectus.

1.9 CHESS

The Company proposes participating in the Clearing House Electronic Subregister System ("**CHESS**"), operated by ASX Settlement and Transfer Corporation Pty Ltd ("**ASTC**") a wholly owned subsidiary of ASX, in accordance with the Listing Rules and SCH Business Rules.

Under this system, the Company will not issue certificates to investors. Instead, shareholders will receive a statement of their holdings in the Company. If an investor is broker-sponsored, the ASTC will send them a CHESS statement.

The CHESS statement will set out the number of securities allotted to each holder under the Prospectus, give details of the shareholder's Holder Identification Number and give the Participant Identification Number of the sponsor.

1.10 Risk Factors

You should read this entire prospectus, including Section 5 relating to "**Risk Factors**" before making any decision to invest. Investing in the Shares should be considered as speculative and is not suitable as an investment for investors who require security of capital or income. You may wish to consult your professional advisers before investing.

Any information or representation that is not contained in this Prospectus should not be relied upon as having been authorised by the Company or the Board of the Company. No person is authorised to give any information or make any representation in relation to the offer which is not contained in this Prospectus.

1.11 Restricted Securities

Pursuant to the Listing Rules, securities issued to founders, promoters and vendors of classified assets may have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period.

1.12 Taxation Implications

The Directors do not consider that it is appropriate to give persons advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to persons. As a result, persons should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.13 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the offer, or otherwise to permit an offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

1.14 Broker Applications

Stockbrokers or organisations which hold an Australian Financial Services Licence who lodge applications which bear a stamp may be paid a fee for the value of those valid applications accepted by the Company.

1.15 Employee Share Option Plan

An Employee Share Option Plan has been adopted by the Company to provide additional incentives for, and help retain, the Company's directors and Buxton Resources employees. Details of the Employee Share Option Plan are set out in Section 8.6 of this Prospectus.

1.16 Enquiries

If you have any queries about the Offer or how to apply for Shares, you may contact the Company on (08) 9481 7288. You should consult your stockbroker, accountant, or other financial or professional adviser when considering your own circumstances regarding an investment in the Company.

1.17 Summary Only

The information set out in this Section provides a summary of the information contained in this Prospectus. Applicants should read this Prospectus in its entirety prior to making a decision to apply for Shares offered under this Prospectus. If you have any questions about investing in the Company, please contact your stockbroker, accountant or independent financial adviser.

1.18 Forecast Financial Information

Buxton Resources will use the funds received from the Offer to begin the evaluation of its mineral exploration interests. Given the speculative nature of exploration for, evaluation and development of mineral exploration reserves and future commodity price predictions, there are significant uncertainties associated with forecasting future revenues and expenses. On this basis the Directors believe, in accordance with ASIC Policy Statement 170, that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

1.19 Withdrawal

The Directors may at any time decide to withdraw this Prospectus or the Offer, in which case the Company will return all Application Monies without interest within 28 days of giving notice of withdrawal.

SECTION 2

DIRECTORS & MANAGEMENT



L to R: Mike Ivey, Graeme Smith and Ron Smit, directors - Buxton Resources Limited.

MICHAEL IVEY CHAIRMAN

BAppSc (Geol), MSc (Min.Econ.), MAusIMM, MAICD

Michael Ivey has been involved in the mineral exploration industry in Western Australia for over 20 years. He graduated from Curtin University with a Bachelor of Applied Science degree majoring in geology and has a Master of Science (Mineral Economics) from the Western Australian School of Mines.

After graduating Mr Ivey initially worked as an exploration geologist exploring for gold in the Murchison and Eastern Goldfields Regions of Western Australia. In 1986 Mr Ivey joined Croesus Mining NL and over the ensuing 18 years held the positions of Chief Geologist, Exploration Manager and General Manager before becoming Managing Director and Chief Executive Officer in 1997. He led the discovery of the suite of Binduli gold deposits (+1 million ounces) and was responsible for the acquisition and development of the 100,000 ounce per annum Davyhurst Project and the merger with Central Norseman Gold Corporation. He was awarded the 2002 Mining Executive of the Year by Gold Mining Journal.

Mr Ivey is Chairman and Managing Director of Castle Minerals Limited, Non Executive Director of Azumah Resources Limited and is Principal of MetalsEx Capital.

RON SMIT MANAGING DIRECTOR AND CEO

BSc (Hons), MAusIMM

Ron Smit is a geologist with over 25 years experience in the mineral exploration and mining industry. He worked for BHP Minerals International (now BHP Billiton plc) for much of this period and held many senior technical and management positions.

Mr Smit has conducted exploration for base metals, precious metals and diamonds throughout Australia, North America and Papua New Guinea. He has extensive experience in Archaean and Proterozoic mineral systems and has been involved in the discovery of gold deposits in the Eastern Goldfields of Western Australia, manganese in the Northern Territory and copper in Queensland.

In 2002 Mr Smit joined Marengo Mining Limited as Exploration Manager and subsequently Exploration Director. Mr Smit's core strengths are business development, project management, project generation and risk assessment.

GRAEME SMITH NON EXECUTIVE DIRECTOR AND COMPANY SECRETARY

BEC, MBA, MComLaw, FCPA, FCIS, MAusIMM,

Graeme Smith is a finance professional with over 20 years experience in accounting and company administration. Mr Smith graduated from Macquarie University with a Bachelor of Economics and has since received a Master of Business Administration and a Master of Commercial Law.

Mr Smith is a Fellow of both the Australian Society of Certified Practising Accountants and the Chartered Institute of Secretaries and Administrators.

Mr Smith has held CFO and Company Secretary positions with Croesus Mining NL, Centralian Minerals Limited and most recently was Chief Financial Officer for Jabiru Metals Limited. Previously he held senior management roles with Elders Resources Ltd, Eltin Ltd and has also worked for other Australian mining and mining service companies.

2.1 Corporate Governance Statement

The Board is committed to administering policies and procedures with openness and integrity and to pursuing the true spirit of corporate governance commensurate with the Company's needs. Buxton Resources has adopted a comprehensive system of control and accountability as the basis for the administration of corporate governance.

Buxton Resources corporate governance policy set out details in respect of:

- the Board;
- the nomination committee;
- the remuneration committee;
- the selection and appointment of new Directors;
- the code of conduct for Directors and Buxton Resources executives;
- the policy for employee trading in the Company's Shares;
- the policy on selection of an external auditor;
- communication with and participation of shareholders;
- respecting the rights of shareholders;
- risk management; and
- fair and responsible remuneration.

To the extent they are appropriate, the Company has adopted the 10 essential Corporate Governance Principles and Best Practice Recommendations ("Recommendations") as published by ASX Corporate Governance Council. Further information about the Company's corporate governance practices is set out on the Company's web site at www.buxtonresources.com.au. In accordance with the recommendations of the ASX, information published on the Company's web site includes charters of the Board and its subcommittees, codes of conduct and other policies and procedures relating to the Board and its responsibilities.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.



SECTION 3

OVERVIEW OF THE COMPANY

3.1 Background

Buxton Resources Limited was incorporated on 23 April 2007 for the purpose of acquiring, exploring and developing mineral interests in Australia.

The Company's projects are summarised below and more fully described in the Independent Geologist's Report in Section 4 of this Prospectus.

3.2 Corporate Objectives and Strategies

Buxton Resources strategy is :

- to discover and develop world class mineral deposits by aggressively and cost effectively exploring each one of the Company's projects; and
- to acquire an advanced project that has the capacity of being developed into a world class mineral deposit.

3.3 Use of Funds

The funds raised from the Offer are to be applied for the purposes of base metal and gold exploration on the Projects.

The application of funds are summarised below.

	Proposed Expenditure Full Subscription			Proposed Expenditure Minimum Subscription		
Projects	Year 1	Year 2	Total	Year 1	Year 2	Total
Warda Warra	990,000	940,000	1,930,000	530,000	540,000	1,070,000
Western Shaw	285,000	325,000	610,000	215,000	235,000	450,000
Dempster	165,000	280,000	445,000	70,000	110,000	180,000
Eelya Hill	55,000	128,000	183,000	10,000	105,000	115,000
Kanandah	35,000	150,000	185,000	5,000	80,000	85,000
Administration costs	400,000	370,000	770,000	400,000	370,000	770,000
Sub Total	1,930,000	2,193,000	4,123,000	1,230,000	1,440,000	2,670,000
Expense of Issue	400,000	-	400,000	280,000	-	280,000
Capital Expenditure	50,000	10,000	60,000	50,000	-	50,000
Working Capital	-	417,000	417,000	-	-	-
Total	2,380,000	2,620,000	5,000,000	1,560,000	1,440,000	3,000,000

Further information with respect to the application of funds to be raised from the Offer is set out in the Independent Geologist's Report in Section 4 of this Prospectus.

The Directors believe the Company will have sufficient working capital to carry out its stated objectives upon completion of the Offer.

3.4 Capital Structure

The capital structure of the Company following the Offer will be as follows:

	Shares (Max Subscription)	Shares (Min Subscription)	Max \$	Min \$
Shares currently on Issue	13,500,010	13,500,010	\$322,002	\$322,002
Shares to be issued pursuant to Offer	25,000,000	15,000,000	\$5,000,000	\$3,000,000
Less costs of the issue			\$400,000	\$280,000
Totals	38,500,010	28,500,010	\$4,922,002	\$3,042,002

Other Securities

Options on Issue at date of Prospectus

Exercisable at 20 cents each 4,750,000 (expiry 30 June 2012)

Exercisable at 30 cents each 4,000,000 (expiry 30 June 2012)

The rights attaching to the Shares are described in Section 8.5.

3.5 Directors' Review of Projects

The Company is exploring for base metal and gold mineralisation within Archaean and Proterozoic rocks of Western Australia. The targets include Proterozoic gold & base metal mineralisation, Archaean nickel laterite and nickel sulphide mineralisation and Archaean volcanogenic massive zinc-lead sulphide mineralisation.

Dempster Gold Project (90% Buxton Resources)

The Project area is located 90 km north-northeast of Esperance and approximately 60 km west of the sealed Kalgoorlie Esperance highway and rail line. It consists of three exploration licence applications covering 411.6 km².

The principal target is gold mineralisation associated with a northeast trending corridor of Paleoproterozoic rocks which are thrust north-westerly over the Archaean Yilgarn Craton. New discoveries by AngloGold Ashanti at Tropicana – Havana and Beachcomber located along strike and to the northeast indicate that this is an emerging new Australian gold province.

There is no outcrop in the Project area, however wide spaced exploration drilling carried out in the past for lignite and base metals indicates that the depth to basement is consistently less than 20m.

Reconnaissance work by previous explorers in the Project area has located gold-in-calcrete and gold in bedrock.

- The gold-in-calcrete surface anomalies are not well defined as sampling was restricted to existing access tracks. Nonetheless, the surface anomalies are considered significant as many gold values exceed 2.5 ppb gold with a peak value of 14 ppb gold. The dimension of this gold anomaly is comparable in size and magnitude that led to the discovery of the Tropicana – Havana Prospect. Systematic grid-based sampling is planned to better define the gold target prior to drill testing.
- The gold in bedrock anomaly was originally detected by BHP in aircore hole GPDH141. This hole was part of a fence line traverse to investigate the base metal potential of the district. Holes were vertical and spaced at 400m along the traverses. Mineralisation in GPDH141 occurred at the bottom of the hole associated with saprock after medium grained feldspar-quartz-biotite gneiss. The bottom of hole sample from the 20-21m interval returned 0.687 g/t gold, 439 ppm copper with elevated silver, molybdenum, nickel and tin. This Paleoproterozoic gold intercept is considered highly significant and confirms the potential of the region.

These anomalies were not explored further by BHP. These results are considered highly significant and a systematic grid-based surface sampling program is proposed, followed by aircore drilling of generated targets and infill aircore drilling around hole GPDH141.

Warda Warra Nickel & Gold Project (80-90% Buxton Resources)

The Project occurs within the Murchison granite-greenstone Province of the Archaean Yilgarn Craton. It is located 90 km northwest of Mount Magnet in the Yalgoo Mineral Field and is 280km east-northeast of the port city of Geraldton, Western Australia.

The main focus for the Company will be to investigate the nickel sulphide and nickel laterite potential of untested ultramafic rocks in the Warda Warra greenstone belt. The nickel potential of the district has not been advanced since the early 1970's when limited exploration activity identified the presence of broad zones of nickel laterite mineralisation north of the Western Queen Gold Mine. The best drill intercepts from this analysis includes:

- **PDH005 16.8 m at 1.01 % Nickel from 7.6 m**
- **PDH011 12.2 m at 1.04 % Nickel from 15.2 m**
- **PDH016 13.7 m at 1.10 % Nickel from 13.7 m**

Buxton Resources plans to drill wide spaced holes across the prospective units to establish the potential size and grade of the nickeliferous laterite.

The Company also plans to evaluate the nickel sulphide potential of other ultramafic rocks within the greenstone belt by conducting an airborne electromagnetic survey to screen for conductive horizons. All high quality targets generated would then be drill tested.

A second priority for the company is to evaluate the gold potential of the M17 Magnetic Target where an open-ended gold in laterite anomaly was detected by explorers in 2002. This anomaly occurs in the southern portion of the greenstone belt and is buried beneath a variable thick transported cover sequence. The best result was from Hole WQJ1316 which returned 12m at 0.24 g/t Au. This hole was at the eastern end of a drill fence and mineralisation remains open to the north, south and east. No follow-up drilling was completed on this prospect as the projected extension was outside the then explorer's tenement holding. Buxton Resources intends to drill the extensions.

Another priority for the Company is to investigate the volcanogenic massive sulphide ("VMS") mineralisation potential of the easternmost portion of the tenement holding which lies within the Dalgara greenstone belt. This greenstone belt was extensively investigated for base metal mineralisation during the mid 1970's to the late 1980's. Several base metal prospects were discovered including the Lasoda Zinc Prospect (narrow high grade zinc hits such as 2.1m at 21.9% zinc, 0.7% copper, 3.3% lead). This prospect is located 1.5km south of the Company's tenement. Ground electromagnetic (EM) work completed by CRA indicates that the Lasoda mineralisation is conductive and that the host EM anomaly continues to the north into the Company's tenement. It is Buxton Resources' intention to confirm the location of the EM anomaly and then drill test it.

Eelya Hill Copper-Gold Project (90% Buxton Resources)

The Project occurs within the Murchison granite-greenstone Province of the Archaean Yilgarn Craton. It is located some 27 km east of Cue and is 350 km east-northeast of the port city of Geraldton. Several abandoned old gold mines occur in the district (not on the Company's ground) including the Tuckabianna line of workings.

Buxton Resources intends to aggressively evaluate the base metal potential of the Project area.

The Project area covers a felsic volcanic rock complex that has long been recognized as having potential for VMS mineralisation similar to that at the Golden Grove Mine located 190 km to the southwest. In the 1960's and 1970's base metal explorer's drill tested gossans and surface geochemical anomalies and discovered a number of weakly mineralized pyrite-chalcopyrite-shalperite-galena horizons. To date the best result that occurs within the Company's ground are at the Eelya South Prospect where 10m at 0.78% zinc, 0.25% lead and 41 g/t silver and 4m at 0.74% copper were recorded.

In the 1980's junior gold explorers started to re-evaluate many of the historical gold mines in the district for low-grade oxide ore. As a result of this work many small to modest size gold mines were operating in the 1980's and 1990's including those at Tuckabianna.

During this period, the gold potential of the base metal gossans on the Company's ground was evaluated. The initial drill testing of the Eelya South Prospect returned encouraging shallow gold hits such as Hole ES2: 3m at 3.19 g/t gold from 13m & Hole ES17: 3m at 3.5 g/t gold from 6m. However, subsequent drilling showed that the gold distribution was erratic and the overall grade of the mineralized zone was low.

Nearing the end of gold exploration on this prospect a trial Induced Polarisation (IP) survey was completed. Testing of the strongest IP anomaly intersected massive sulphides hosted by felsic schists at the contact with mafic schists. This hole, ERC19 intersected 3m at 6.9% copper, 3.6 g/t gold from 39m with highly elevated levels of lead, zinc, silver, arsenic, bismuth and antimony.

This drilling was conducted in 1993, and to date, the result has not been followed up at depth or along strike.

Buxton Resources intends to use ground geophysical surveys to help identify the presence of buried massive sulphides and will drill test all high quality targets.

Western Shaw Gold & Nickel Project (90% Buxton Resources)

The Project is located 100 km southwest of Marble Bar within a granite-greenstone belt of the Archaean Pilbara Craton.

The Project contains a belt of under-explored mafic and ultramafic volcanic rocks at the southern end of the Soanesville Greenstone Belt. Research of public domain data indicates that there has been very little previous exploration that is documented. The only work of note is a reconnaissance sampling effort for tin and tantalum mineralisation associated with pegmatite along the margin of the granite – greenstone contact. Other explorers appear to have collected stream sediment samples but no results are documented. There is also some evidence of gold exploration as the Project area contains an expired Gold Mining Lease, for which there is no information.

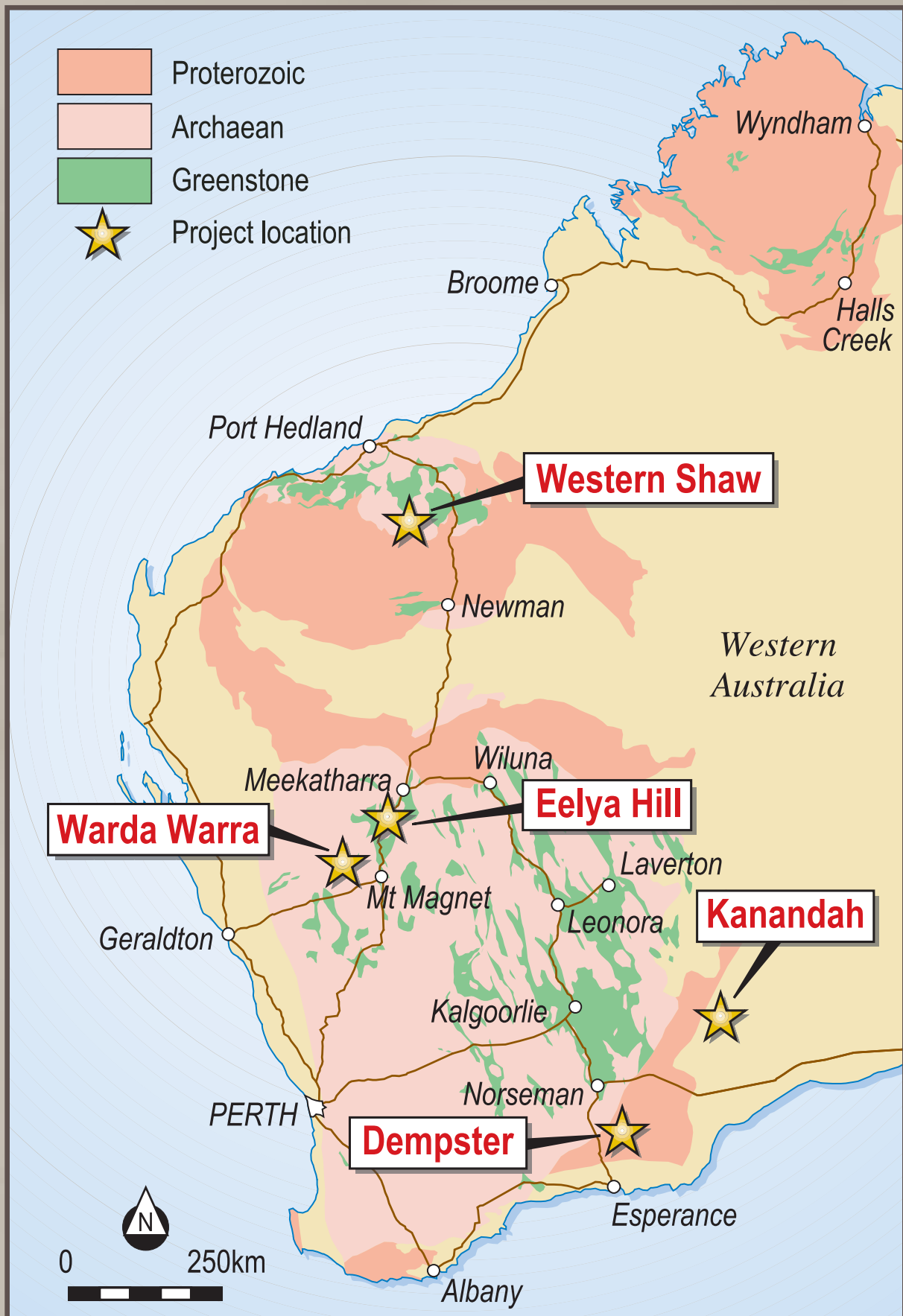
Buxton Resources considers the Project area to be prospective for nickel and gold and intends to rapidly access the merits of the belt by undertaking traditional surface prospecting and geochemical sampling. It is also planned to conduct an airborne electromagnetic survey to screen the district for conductive horizons which may be caused by buried sulphide bodies.

Kanandah Project (100% Buxton Resources)

The Kanandah Project is located 310 km east of Kalgoorlie on the margin of the Eucla Basin and covers a buried metamorphic complex considered prospective for Broken Hill type mineralisation.

The land holding covers a buried magnetic complex for which there is very limited geoscientific information. Two exploration holes drilled in 1999 indicate that the depth to basement is 150 -180 m and that it consists of high grade metamorphic rocks. One of the holes intersected banded quartz-magnetite-garnet (spessartine) rock interpreted as a metamorphosed banded iron formation. This rock type is characterised by highly elevated manganese and phosphorus and may represent a favourable host rock for Broken Hill type lead-zinc mineralisation.

The exploration strategy is to undertake a grid based gravity survey to help generate targets for deep percussion drilling and/or diamond drilling.



SECTION 4

INDEPENDENT GEOLOGIST'S REPORT

22 June 2007

The Directors
Buxton Resources Pty Ltd
Level 3, 46 Ord Street
West Perth WA 6005
Australia

Dear Sirs

INDEPENDENT GEOLOGIST'S REPORT ON THE MINERAL PROPERTIES OF BUXTON RESOURCES PTY LTD IN WESTERN AUSTRALIA

Corvidae Group Pty Ltd as Trustee for Ravensgate Unit Trust trading as Ravensgate ("Ravensgate") has been commissioned by Buxton Resources Pty Ltd (ACN 125 049 550) ("Buxton Resources") to prepare an independent technical report on the company's mineral projects in Australia. This report is to be included in a Prospectus to be lodged by Buxton Resources with the Australian Securities and Investments Commission ("ASIC"), offering for a subscription of 25 million Shares at an issue price of \$0.20 per Share (the "Prospectus"), to raise a total of \$5.0 million (before costs associated with the issue). Allowance for a minimum subscription level of 15 million Shares at an issue price of \$0.20 per Share (the "Prospectus"), to raise a total of \$3.0 million has been made. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties in which Buxton Resources will be the beneficial owner.

Buxton Resources is focusing on five projects within Western Australia which are prospective for gold and/or base metal mineralisation.

This review is based on information provided by and discussions with the title holders, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the areas. A listing of the principal sources of information is included in this Report. Ravensgate has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based.

This report has been prepared in accordance with the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and the Australian Stock Exchange ("ASX"), which pertain to Independent Expert Reports. The report complies with section 716(2) of the Corporations Act 2001 where consent is required if statements have been attributed to third parties.

In consideration of the definition provided by the ASX and in the JORC Code, these properties are classified as 'advanced exploration projects', which are inherently speculative in nature. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programmes proposed by Buxton Resources.

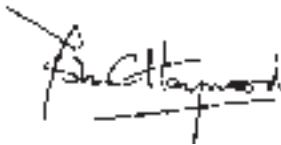
Buxton Resources intends to raise \$5.0 million, and at least half of the liquid assets held and funds proposed to be raised are understood to be committed to the exploration and development of the properties. Ravensgate understands that Buxton Resources has sufficient working capital to carry out its stated objectives and has prepared staged exploration programmes,

specific to the exploration potential of the individual tenements, which are consistent with its budget allocations. It is considered that sufficient exploration and mining activities have been undertaken by earlier explorers in the last 30 years to justify the proposed programmes and expenditure. The proposed exploration and development budgets exceed the minimum annual statutory expenditure requirement on the Projects.

The independent technical report has been compiled based on information available up to and including the date of this report. Consent has been given for the distribution of this report in the form and context in which it appears.

Ravensgate and its employees are not, nor intend to be, directors, officers or other direct employees of Buxton Resources and have no material interest in the Projects or Buxton Resources. The relationship with Buxton Resources is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



John Haywood
Author – Ravensgate

John Haywood has over 17 years experience in mining and exploration geology, and resource modelling, and has worked in Australia, West Africa, and Southern Africa in gold and base metals. John Haywood holds the relevant qualifications and professional associations required by the ASX, JORC and ValMin Codes in Australia. He is a Qualified Person under the rules of the CIM and NI 43-101.

He has the appropriate relevant qualifications and experience to satisfy the requirements of an 'Expert' as defined under the ValMin Code.

Craig Harvey has been involved in the mining and resource industry for the past 15 years. In this time he has been extensively involved in surface and underground mining, resource and reserve estimations, and management of exploration programs. This includes due diligence investigations in Southern Africa and Canada. He is a member of the Geological Society of Southern Africa. Membership of the South African Institute of Mining and Metallurgy (SAIMM) is pending. Membership of this body is accepted by the Australian Stock Exchange as a Recognised Overseas Professional Organisation (ROPO).

He has the appropriate relevant qualifications and experience to satisfy the requirements of an 'Expert' as defined under the ValMin Code.



INDEPENDENT GEOLOGIST'S REPORT
ON THE
MINERAL ASSETS WITHIN THE TENEMENTS
SITUATED IN WESTERN AUSTRALIA
HELD BY BUXTON RESOURCES PTY LTD
FOR
BUXTON RESOURCES PTY LTD

RAVENSGATE

22 JUNE 2007

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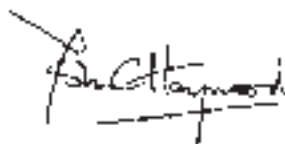
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SECTION 4

INDEPENDENT GEOLOGIST'S REPORT

Prepared by RAVENSGATE on behalf of: Buxton Resources Pty Ltd

Author:	John Haywood	Principal Consultant	BSc(Hons), MAusIMM
Reviewer:	Craig Harvey	Principal Consultant	NHD Econ. Geol, MGSSA, Pr.Sci.Nat
Date:	22nd June, 2007		
Copies:	Buxton Resources Pty Ltd	(2)	
	Ravensgate	(1)	



John Haywood

For and on behalf of:

RAVENSGATE

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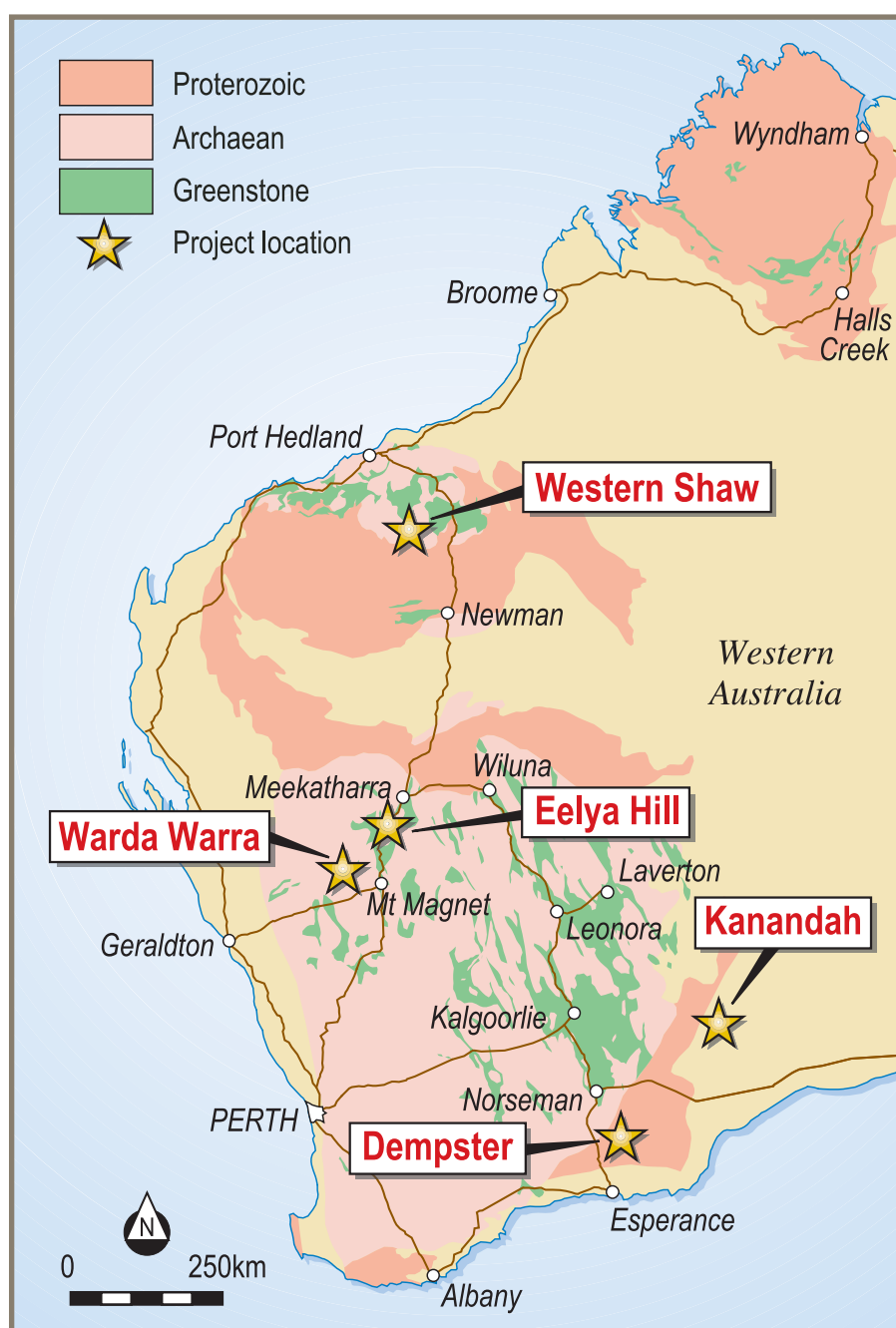
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1. SUMMARY

Buxton Resources Pty Ltd ("Buxton Resources") is an unlisted Australian registered public resource company. Buxton Resources has been actively acquiring exploration interests within Western Australia, and is now seeking to list on the Australian Stock Exchange ("ASX") in order to raise working capital to fund the future technical assessment of its projects.

Buxton Resources has acquired, or applied for, a total in excess of 1,228 km² of exploration tenure; comprising the Warda Warra Project, the Western Shaw Project, the Dempster Project, the Eelya Hill Project and the Kanandah Project in Western Australia.

FIGURE 1 BUXTON RESOURCES PTY LTD – PROJECT LOCATION MAP



1.1 Warda Warra Project

The Warda Warra Project is the initial primary focus of Buxton Resources and is located 90km northwest of Mount Magnet in the Yalgoo Mineral Field. It covers much of the Warda Warra greenstone belt and a small portion of the Dalgaranga Greenstone Belt, in a tenement package of 236.8km².

The Warda Warra Prospect is considered prospective for nickel sulphide, nickel laterite, base metal (predominantly zinc) and gold mineralisation.

The Warda Warra Greenstone Belt has previously demonstrated nickel laterite mineralisation requiring systematic evaluation. In addition, the nickel sulphide potential of the ultramafic package has not been effectively tested by previous explorers.

Gold mineralisation has been proven and previously exploited at the Western Queen deposit (not held by Buxton Resources), and the host sequence is believed to continue under increasing cover to the south into the ground on which Buxton Resources has rights to explore for gold.

The small area of the tenements covering the Dalgaranga Greenstone Belt is potentially traversed by zinc mineralisation previously defined in the Lasoda Prospect to the south.

Ravensgate understands that Buxton Resources intends to systematically investigate the nickel sulphide and nickel laterite potential of the ultramafic rocks, as well as to evaluate the gold potential over those areas it has gold rights, and to test the northern extension of the Lasoda zinc prospect.

1.2 Western Shaw Project

The Western Shaw Project consists of one Exploration License, E45/2768, with an area of 112km², and is located approximately 100km southwest of Marble Bar and 190km south-southeast of Port Hedland in Western Australia. It is situated in the southern portion of the Archaean Soanesville Greenstone Belt, with a sequence of mafic and ultramafic rocks that have undergone little historical exploration.

Tenement E45/2768 covers a large area of mafic and ultramafic sequences which is potentially prospective for gold and or nickel mineralisation, and is considered a grass-roots project of moderate prospectivity.

Ravensgate understands that Buxton Resources' exploration programme would include regional geological mapping, reconnaissance and surface geochemical sampling and airborne electromagnetics to identify any potential targets within the project.

1.3 Dempster Project

The Dempster Project is located approximately 90km north-northeast of Esperance and approximately 60km west of the sealed Kalgoorlie-Esperance highway and rail line. The Project consists of three contiguous exploration licence applications (E63/1114, E63/1120 and E63/1121) covering a total of 411.6km².

The principal target is gold mineralization associated with Palaeoproterozoic rocks of the Fraser Orogen. This is an emerging new Australian gold province; where AngloGold-Ashanti discovered a large gold deposit at Tropicana – Havana in 2003 and more recently announced a new prospect at Beachcomber. These deposits and prospects are located 470km and 250km along strike to the northeast of the Dempster Project.

These discoveries have been made by drilling follow-up of very low order surface geochemical anomalies. The Dempster Project is known to contain a surface gold anomaly that is comparable in size and magnitude that led to the discovery of the Tropicana – Havana Deposit. The regolith profile at Dempster is also very similar to that at Tropicana-Havana and consists of thin sand cover (<20m).

1.4 Eelya Hill Project

The Eelya Hill Project is located approximately 27km along unsealed station tracks to the east-northeast of the town of Cue, Western Australia. The Project consists of two small contiguous tenement applications (P20/2018 and E20/659) covering a total of 5.86 km².

The Project lies within the Eelya Hill Felsic Volcanic Complex which is known to contain a number of surface gossans related to pyrrhotite–pyrite–chalcopyrite mineralisation. The best drillhole intercept on the company's ground is 3m at 6.9% Cu, 3.57g/t Au in drillhole ERC19 at the Eelya South Prospect. This mineralisation is open along strike and at depth. The Project area also contains the southern extension of the Laterite Hill gold prospect which contains narrow relatively high-grade gold shoots.

1.5 Kanandah Project

The Kanandah Project consists of one Exploration License application, E28/1773, with an area of 462km², and is located approximately 310 km east of Kalgoorlie just north of the trans-Australian rail line in Western Australia.

Buxton Resources has indicated that this is a “high risk – high reward” conceptual exploration play looking for Broken Hill style lead-zinc mineralisation beneath a thick cover of Eucla Basin sedimentary rocks.

The land holding covers a buried magnetic complex for which there is very limited geoscientific information. Two exploration drillholes completed by BHP in 1999 indicate that the depth to basement is 150 -180 m and that it consists of high grade metamorphic rocks. One of the holes intersected banded quartz-magnetite-garnet (spessartine) granulite interpreted as a metamorphosed banded iron formation. This rock type is characterised by highly elevated manganese and phosphorus and may represent an exhalative unit distal to a Broken Hill type system.

The exploration strategy is to undertake a grid-based gravity survey to help generate targets for deep percussion drilling and/or diamond drilling.

1.6 Summary of Buxton Resources Proposed Exploration Expenditure

TABLE 1 SUMMARY OF BUXTON RESOURCES PROPOSED EXPLORATION EXPENDITURE (GRANTED TENEMENTS ONLY)

	Warda Warra	Western Shaw	
Year 1	\$990,000	\$285,000	\$1,275,000
Year 2	\$940,000	\$325,000	\$1,265,000
TOTAL	\$1,930,000	\$610,000	\$2,540,000

2. INTRODUCTION

2.1 Qualifications, Experience and Independence

Ravensgate was incorporated in 1997 and specialises in resource modelling and resource estimation services. Ravensgate has focused upon providing resource estimations, valuations, and independent technical documentation and has been involved in the preparation of Independent Reports for Australian, Canadian, Chinese and the United Kingdom companies.

Primary author: John Haywood,
BSc(Hons), MAusIMM

Principal \Consultant

Mr John Haywood has over 17 years experience in mining and exploration geology, and resource modelling, and has worked in Australia, West Africa, and Southern Africa in gold and base metals. John Haywood holds the relevant qualifications and professional associations required by the ASX, JORC and ValMin Codes in Australia. He is a Qualified Person under the rules of the CIM and NI 43-101. He has the appropriate relevant qualifications and experience to satisfy the requirements of an ‘Expert’ as defined under the ValMin Code.

Peer Reviewer: Craig Harvey, NHD Economic Geology, MGSSA, Pr.Sci.Nat

Principal Consultant

Craig Harvey has been involved in the mining and resource industry for the past 15 years. In this time he has been extensively involved in mining, resource and reserve estimations and management of exploration programmes. This includes due diligence investigations in Southern Africa and Canada. He is a member of the Geological Society of Southern Africa.

Membership of the South African Institute of Mining and Metallurgy (SAIMM) is pending. Membership of this body is accepted by the Australian Stock Exchange as a Recognised Overseas Professional Organisation (ROPO).

He has the appropriate relevant qualifications and experience to satisfy the requirements of an 'Expert' as defined under the ValMin Code.

Neither Ravensgate nor any of its employees or associates is an insider, associate or affiliate of Buxton Minerals Limited ('Buxton Resources') or any associated company. Neither Ravensgate nor any of its affiliates have acted previously in any capacity for Buxton Resources or any of its associates or affiliates.

Ravensgate's professional fees are based on time charges for work actually carried out, and are not contingent on any prior understanding concerning the conclusions to be reached.

3. WARDA WARRA PROJECT

3.1 Location and Tenure

The Warda Warra Project is located approximately 90km to the northwest of the town of Mt Magnet in Western Australia. It is within the Yalgoo Mineral Field and covers much of the Warda Warra Greenstone Belt.

Recent exploration and mining activities in the Warda Warra Greenstone Belt have been focused on gold mineralisation, with little or no work for nickel since the 1970's.

The Warda Warra Project consists of four granted Exploration Licences and three granted Mining Leases and three applications for Prospecting Licenses, as shown in Figure 2 and Table 2.

Buxton Resources has negotiated an agreement with Duketon Consolidated Limited, signed on 1 May 2007, to acquire a 90% equity in E59/1157 and applications P59/1853, P59/1854 and P59/1855 (Duketon Joint Venture). In addition, an agreement was reached in July 2007 with AXG Mining Limited to earn an 80% interest in nickel and base metals on E59/1119, E59/1128, E59/1130, M59/50, M59/207 and M59/350 (AXG Joint Venture).

FIGURE 2 WARDA WARRA PROJECT TENEMENT AND PROSPECT LOCATIONS

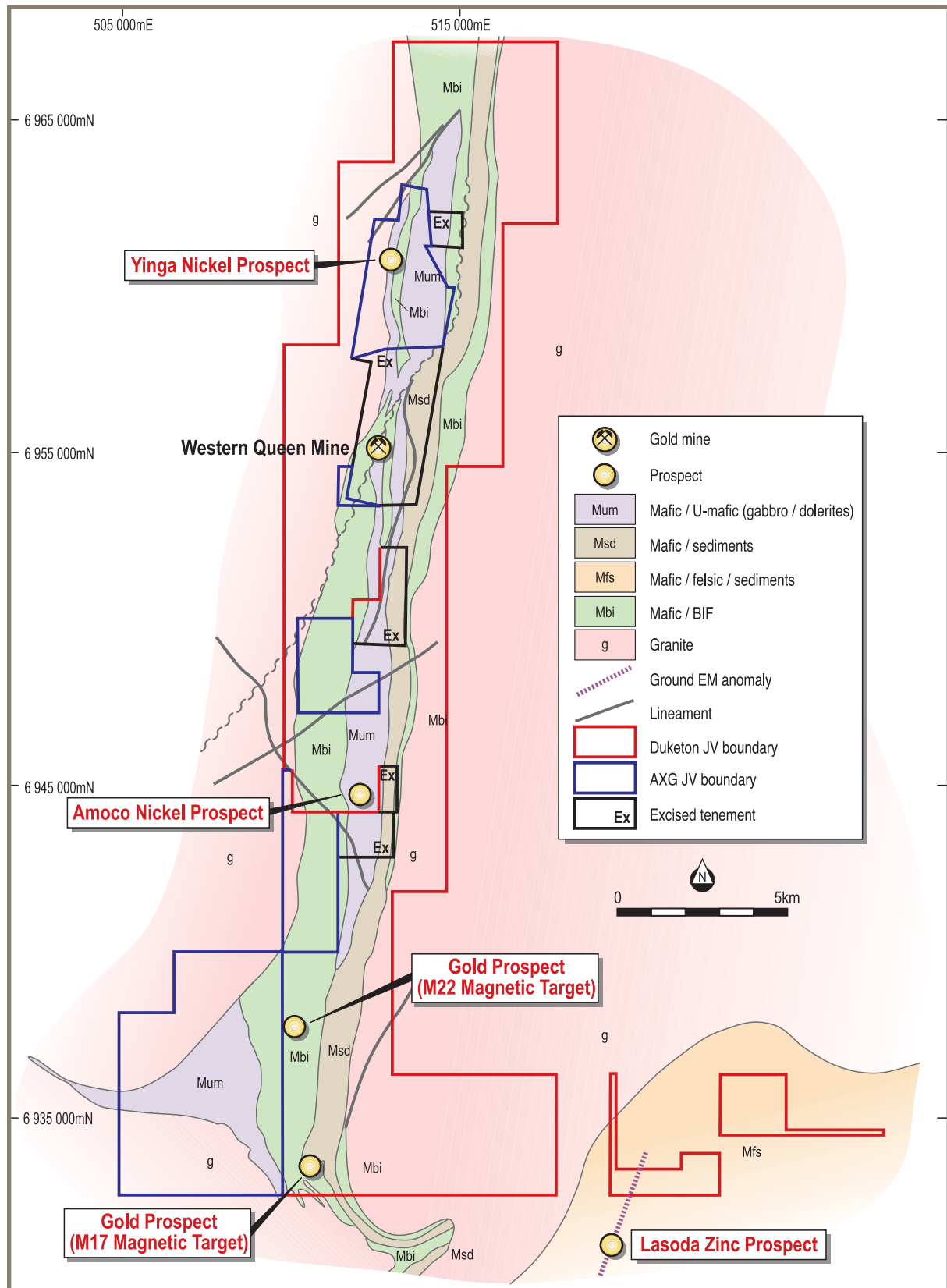


TABLE 2 WARDA WARRA PROJECT – TENEMENT DETAILS

Tenement	Area (km ²)	Status	Date	Expiry Date	Holder	Rent	Minimum Expenditure
E59/1157	179.2	Granted	25/9/2006	24/9/2011	**Duketon Cons. Ltd	6,723.20	64,000.00
P59/1853	1.75	Application	11/5/2007		**Duketon Cons. Ltd		
P59/1854	2.0	Application	11/5/2007		**Duketon Cons. Ltd		
P59/1855	1.09	Application	11/5/2007		**Duketon Cons. Ltd		
M59/50	0.98	Granted	17/9/1987	16/9/2008	*AXG Mining Ltd	1,358.28	10,000.00
M59/207	9.9657	Granted	24/7/1990	16/12/2011	*AXG Mining Ltd	13,818.42	99,700.00
M59/350	4.6661	Granted	1/9/1994	31/8/2015	*AXG Mining Ltd	6,472.62	46,700.00
E59/1119	8.4	Granted	29/11/2004	28/11/2009	*AXG Mining Ltd	490.38	15,000.00
E59/1128	30.8	Granted	31/10/2005	30/10/2010	*AXG Mining Ltd	1,155.55	20,000.00
E59/1130	2.8	Granted	8/3/2005	7/3/2010	*AXG Mining Ltd	253.00	10,000.00
						30,271.45	265,400.00

*Note: Expenditure for AXG Mining Ltd Tenements includes gold exploration, agreement signed July 2007 to earn 80% of nickel, base metal rights; **agreement with Duketon Cons. Ltd reached 1st May 2007 to acquire 90%

3.2 Regional Geology

The Project occurs predominantly within the Warda Warra Greenstone Belt in the Murchison Province of the Archaean Yilgarn Craton. Zircon age dating indicates an age of 3.00Ga to 2.70Ga for greenstone deposition in the Murchison.

The Warda Warra greenstone belt is a narrow, north-south trending belt approximately 25km in length and 3km in width, surrounded by granitic rocks. The major rock types strike north-south, parallel to the granite-greenstone contact and dip steeply to the west. The eastern portion of the belt comprises rocks of the Golconda Formation, and those on the west relate to the overlying Gabanintha Formation.

The Golconda Formation consists of thin (< 5m) banded iron formation (BIF) units and is interlayered with tholeiitic basalt, gabbro and minor ultramafic rocks. The Gabanintha Formation consists of high-magnesium basalt, intrusive ultramafics and differentiated gabbro sills. The Western Queen Gold Mine is located within the Gabanintha Formation.

There are no significant felsic volcanic or clastic sedimentary rocks within the belt. The belt is cut by many pegmatite dykes near the granite-greenstone contact.

The northern half of the belt outcrops as weathered and lateritised material and contains the Western Queen gold mine (which lies outside the company's tenements). The southern half is largely covered by transported soil and alluvium. Airborne magnetic data indicates that the belt continues southward under the surficial cover almost to the adjacent Dalgaranga greenstone belt. The magnetic pattern suggests that the stratigraphy may abruptly swing eastward at the southern extremity of the Warda Warra Greenstone Belt.

3.3 Exploration History

Recorded exploration in the area commenced with nickel exploration in the 1970's, and was followed by later phases of gold and base metal exploration.

3.3.1 Nickel Exploration

The area was investigated for nickel in the early to mid 1970's by Yinga Exploration Pty Ltd (Yinga), Amoco Minerals Australia Company (Amoco), and WMC.

In 1973-74, Yinga (Frenda 1972) discovered lateritic style nickel mineralisation on a small group of mineral claims located west of Kylie Hills (Yinga Prospect). Their detailed phased exploration work involved gridding, costeaning, geological mapping, a ground magnetic survey, auger-soil geochemistry and an IP survey. Six anomalous areas (Areas A-F) were defined and subsequently tested by percussion drilling (18 drillholes) and diamond drilling (6 drillholes). This work showed that the nickel mineralisation is associated with deeply-weathered and lateritised serpentinite, dunite and peridotite (Figure 3). Two cross-sections from the prospect are shown as Figures 4 and 5.

Significant intersections from the Yinga Prospect on M59/207 are summarised in Table 3.

TABLE 3 WARDA WARRA PROJECT -SIGNIFICANT NICKEL DRILLHOLE INTERCEPTS

Drillhole ID	Easting (Local)	Northing (Local)	Dip (°)	Depth (m)	Intercept
Area A					
PDH01	5600	16800	-60W	53	44.2-51.8m; 7.6m @ 0.19% Ni, 0.32% Cu
Area C					
PDH03	2070	20400	-60E	24	9.1-15.2m; 6.1m @ 0.66% Ni
Area D					
PDH10	5100	21600	Vert	15	7.6-15.0m; 7.4m @ 0.66% Ni
Area E					
PDH05	4119	21600	-60E	34	7.6-24.4m; 16.8m @ 1.01% Ni
PDH11	4174	21200	-60E	53	15.2-27.4m; 12.2m @ 1.04% Ni
PDH14	4216	21200	-60E	40	18.3-33.5m; 15.2m @ 0.80% Ni
PDH15	4246	21200	Vert	24	16.8-24.0m; 7.2m @ 0.86% Ni
PDH16	4183	21400	-60E	30	13.7-27.4m; 13.7m @ 1.10% Ni
DDH01	4208	21400	-60E	93	12.2-34.8m; 22.6m @ 0.69% Ni

Amoco (Tagseth 1975) completed a small exploration programme across a group of mineral claims east of Twenty Seven Well, which is situated 16km to the south of the Kylie Hills lateritic mineralisation discovered by Yinga. Amoco completed geological mapping, ground magnetics, surface geochemistry and shallow auger-percussion drilling. This work delineated two zones of anomalous nickel geochemistry. Most drill intersections showed lateritic enrichment of nickel, with grades commonly ranging between 0.45% and 0.70% Ni, and with a peak value of 2.05% Ni.

WMC explored the Kylie Hill area for nickel using stream sediment, soil and rock sampling. Results are poorly recorded; but it is apparent that some ironstones contained elevated nickel and copper and that these were related to laterite development over differentiated mafic intrusions. No further work is reported.

Little or no nickel exploration has been undertaken since the mid-1970's.

FIGURE 3 WARDA WARRA PROJECT - YINGA PROSPECT, LATERITIC NICKEL MINERALISATION

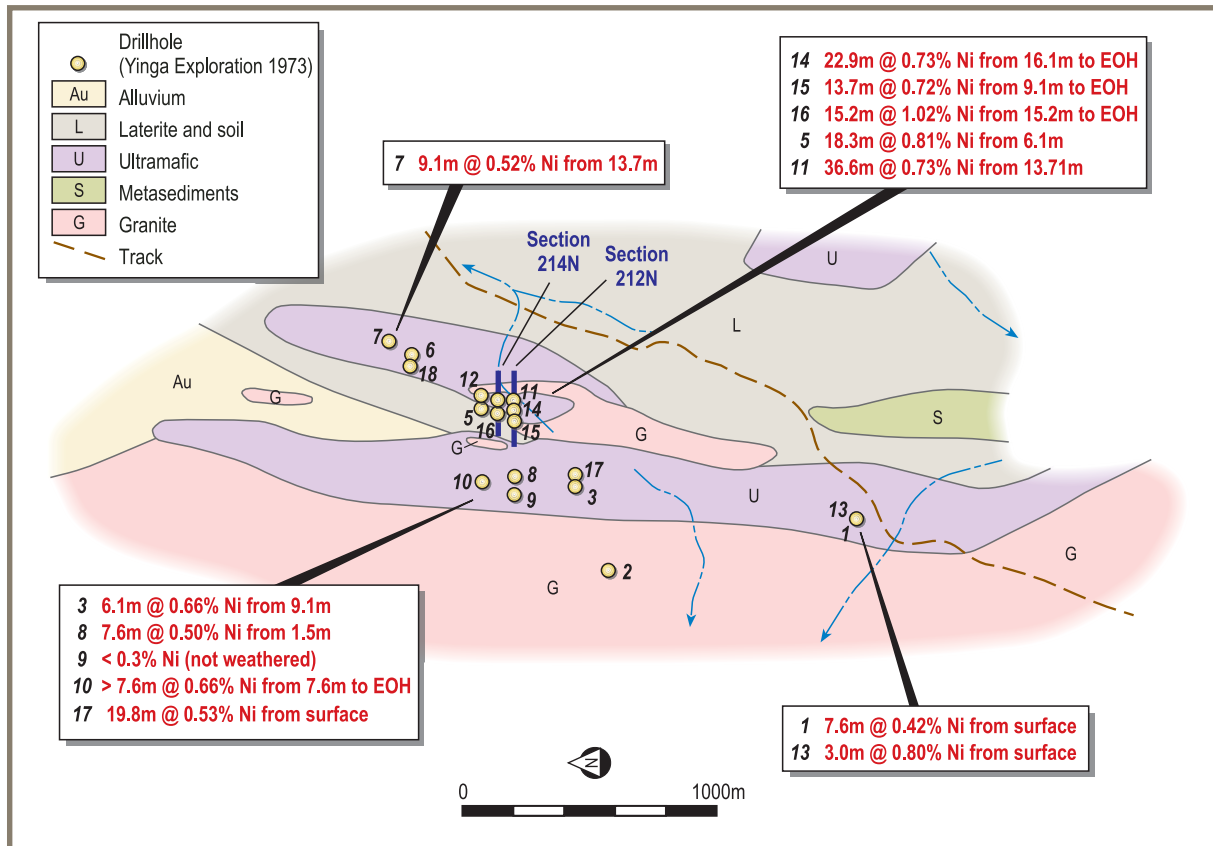


FIGURE 4 WARDA WARRA PROJECT - YINGA PROSPECT, CROSS-SECTION LINE 212N (LOOKING NORTH)

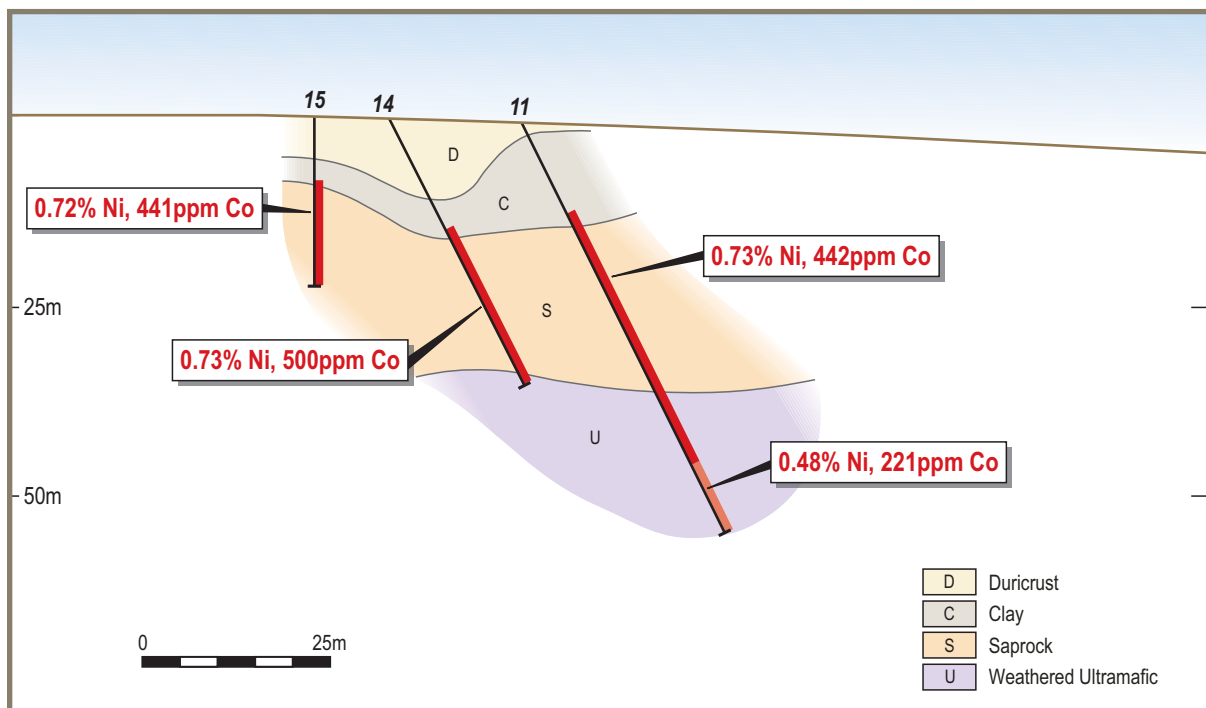
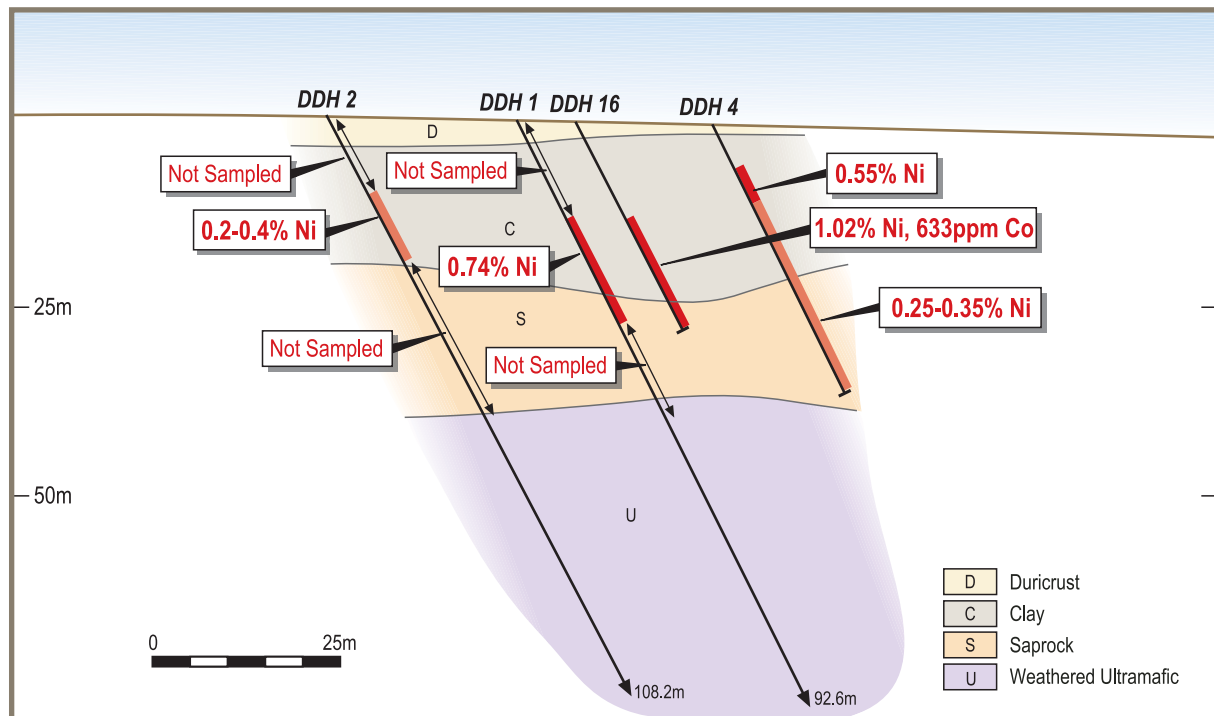


FIGURE 5 WARDA WARRA PROJECT – YINGA PROSPECT, CROSS-SECTION LINE 214N (LOOKING NORTH)



3.3.2 Gold Exploration

Yinnex NL (Schaus 1987 and Johnson 1988), WMC (WMC 1998) and subsequently Equigold NL (Prussner 1999) have explored the entire Warda Warra belt for gold from the mid 1980's until 2002. High grade gold extensions were delineated beneath and adjacent to the historical Western Queen workings, with subsequent exploitation by open pit mining (~200,000oz Au).

Buxton Resources, however, has only secured gold rights attached to the Duketon Joint Venture. The following summary will, therefore, refer specifically to gold exploration undertaken over that area.

WMC undertook an extensive systematic regional exploration over the Warda Warra greenstone belt in the early 1990s. Deflation lag geochemical samples were systematically collected over much of the belt on a pattern of 400m by 100m. Large proportions of the greenstones, particularly the southern part, are covered by transported alluvium and WMC concluded that the methodology was largely ineffective.

Nonetheless, one significant lag anomaly of >25ppb Au was identified 2km NNE of Stewart Well. The anomaly is approximately 550m long by 200m wide and is characterized by lateritic soil with fragments of BIF. The peak gold value returned was 126ppb Au. The surface is lateritic with a thin colluvial cover. The anomaly was tested with 6 holes on a single traverse. Drillholes were angled and approximately 40 metres apart. Strong anomalism was detected in holes WQJC171 and WQJC172 and corresponded with elevated bismuth results.

In 1992, WMC undertook an aeromagnetic survey with 100m flight line spacing. An aeromagnetic structural interpretation generated numerous targets. A selection of these was drill-tested and intersected either ultramafic rocks, mafic basements consisting of metabasalt or amphibolite, or laterite.

M17 Magnetic Target - At the M17 Magnetic Target, drilling identified a large area of weak gold anomalism. It is located on a strong magnetic lineament which trends in a north easterly direction. Thirty seven RC holes were drilled in this area for a total of 2,050m

The geology is variable and is situated close to the contact of the Gabanintha and Golconda Formation. Lithologies consist of amphibolite and banded iron formations with granitic intrusives. Sand cover is significant, varying from 14m to 38m, and weathered saprolite extends to 90 metres in depth. Drilling was undertaken in patterns of 100m x 100m and 200m x 100m. Drilling has identified a line of mineralisation which trends southwest to northeast, and the anomaly remained open in both directions.

Vertical drillhole WQJ1316, which is located in the northeast of the drill pattern and is 200 metres from any other drillhole, returned 12m at 0.236 g/t gold from 48m to 60m in buried residual laterite and is open to the north, south and east. Further drilling is warranted and Ravensgate understands that this will be a key target for the company.

M22 Magnetic Target - At the M22 Magnetic Target a single RC drillhole intersected magnetic laterite above mafic schist. This drilling recorded 6m at 32ppb Au at the laterite / saprolite interface.

The southern extension of the greenstone belt is buried beneath a variable thick transported cover sequence. This ground is mostly held by the company and has been subject to a number of phases of exploration by WMC and Equigold NL. Drilling targeted magnetic anomalies and lag geochemical anomalies.

3.3.3 Base Metal Exploration

The easternmost portion of the E59/1157 lies within the Dalgara greenstone belt. This greenstone belt was extensively investigated for base metal mineralisation during the mid 1970's to the late 1980's, predominantly by CRA Exploration Pty Limited (CRAE). Several zinc-copper prospects were discovered by the explorers and these all lie to the south of the company's land holding.

Historical results for the Lasoda prospect (Le Messurier 1989) from diamond drilling have included:

- **85DD4: 3.5m at 5.3% Zn, 0.45% Cu, 0.65% Pb, 19g/t Ag**
- **85DD5: 2.3m at 15.0% Zn, 0.60% Cu, 1.60% Pb, 47g/t Ag**
- **85DD5: 2.1m at 21.9% Zn, 0.65% Cu, 3.30% Pb, 97g/t Ag**

This prospect is located 1.5km south of the company's tenement. Ground EM work completed by CRAE shows that the Lasoda mineralisation is conductive and that the host EM anomaly continues to the north across the company's tenement. The company has indicated that it intends to re-locate the conductive unit and then test it with deep percussion drilling.

3.3.4 Tantalite and Beryl Exploration

The Warda Warra greenstone belt is known to contain small shallow tantalum and beryl workings. Small tonnages were mined in the 1960's (Butler 1980) from pegmatites and their associated eluvial and alluvial material. The mineralization occurs within narrow discontinuous pegmatites hosted by mafic and ultramafic schists. The company has affirmed that it currently has no intention of exploring for this style of mineralization.

3.4 Exploration Potential

The Warda Warra Prospect is considered prospective for nickel sulphide, nickel laterite, base metal (predominantly zinc) and gold mineralisation.

The Warda Warra Greenstone Belt has previously demonstrated nickel laterite mineralisation requiring systematic evaluation. In addition, the nickel sulphide potential of the ultramafic package has not been effectively tested by previous explorers.

Gold mineralisation has been proven and previously exploited at the Western Queen deposit, and the host sequence is believed to continue under increasing cover to the south into the ground on which Buxton Resources has rights to explore for gold.

The small area of the tenements covering the Dalgara Greenstone Belt is potentially traversed by zinc mineralisation previously defined in the Lasoda Prospect to the south.

3.5 Proposed Exploration Programme and Budget

A comprehensive exploration budget has been prepared by Buxton Resources to conduct exploration for nickel, gold and zinc mineralisation. Initial activity will entail the acquisition of available aeromagnetic and Landsat data, followed by reprocessing to enhance structure definition.

Nickel Programme

- Systematic grid based drilling of nickeliferous laterite.
- Phase 1 – wide spacing drilling to define limits of mineralisation;
- Phase 2 – infill drilling to better define distribution and grade of nickeliferous laterite;
- Fly airborne electromagnetic survey over entire greenstone belt to locate conductive horizons associated with ultramafic rocks. Ground geophysical surveys to confirm geometry of generated targets.
- The drilling of a fence(s) of deep percussion holes to test the best conductive targets;

Gold Programme

- Extend the drill grid at the M17 anomaly to the north and east.

Zinc Programme

- The small area covering part of the Dalgaranga Greenstone Belt includes the northern extension of the Lasoda zinc prospect. Following a review of these data the EM target will be drill tested.
- Relocate the position of the northern extension of the Lasoda zinc mineralisation with a ground electromagnetic survey;
- Drill deep percussion holes into the confirmed target.

An exploration programme constituting \$1.93M over two years is presented in Table 4.

TABLE 4 PROPOSED EXPLORATION ACTIVITIES AND BUDGET – WARDA WARRA PROJECT

Activity	Year 1	Year 2
Technical & Support Staff	\$150,000	\$150,000
Field Costs	\$50,000	\$50,000
Geochemistry	\$100,000	\$150,000
Geophysics – Airborne EM and Ground Follow-up	\$350,000	\$150,000
Drilling	\$250,000	\$350,000
Land Access / Tenement Costs	\$30,000	\$30,000
Administration / Other Costs	\$60,000	\$60,000
Total	\$990,000	\$940,000

4. WESTERN SHAW PROJECT

4.1 Location and Tenure

The Western Shaw Project comprises a large exploration license covering approximately 178 km² at the southern end of the Soanesville (Strelley) Greenstone Belt approximately 100km southwest of Marble Bar. Buxton Resources have signed an agreement (Montezuma ASX Release 21 May 2007) with Montezuma Mining Company Ltd (Montezuma) to acquire its 90% of the Project.

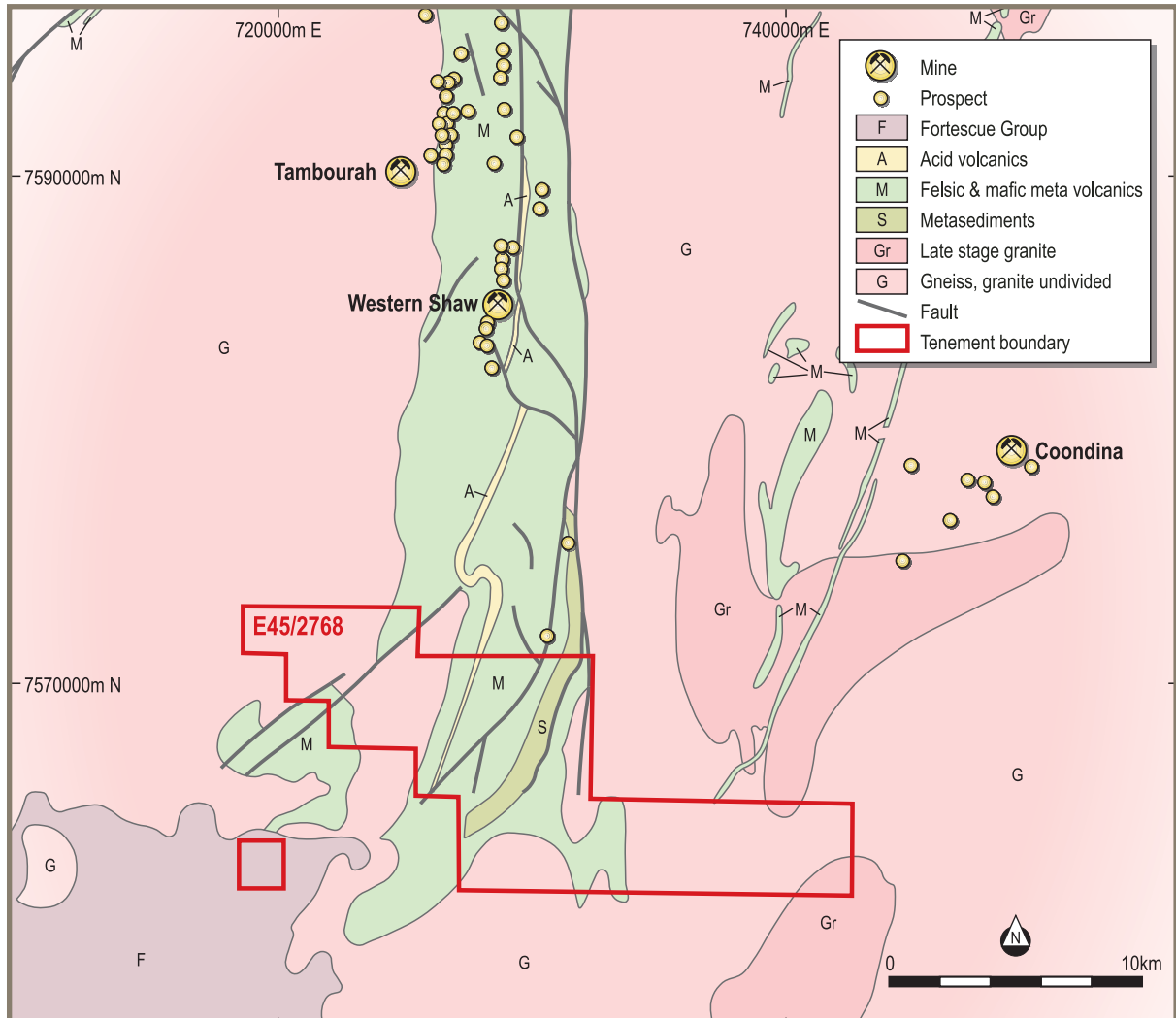
Previous exploration in the area is very limited, however, the project is located in a regionally prospective area, and may have some potential for gold and/or nickel mineralization. Details are presented in Table 5.

TABLE 5 WESTERN SHAW PROJECT - TENEMENT DETAILS

Tenement	Area (km ²)	Status	Date	Expiry Date	Holder	Rent	Minimum Expenditure
E45/2768	3.194	Granted	9/8/2006	8/8/2011	South Boulder Mines*	4,202.00	40,000.00
						4,202.00	40,000.00

*Montezuma Mining Company Ltd 90% - new vendor agreement with Buxton Resources signed 1 May 2007.

FIGURE 6 WESTERN SHAW PROJECT - REGIONAL GEOLOGY



4.2 Regional Geology

The Project is located at the southern end of the Soanesville Greenstone Belt, and covers a large tract of unexplored mafic and ultramafic volcanics of the Warrawoona Group with a regional north-south foliation overprint, extending to the north in an elongated stratigraphic block lying between the Yule and Shaw Granites.

4.3 Exploration History

A due diligence search of open-file data indicates that little previous exploration has been undertaken in the tenement area. Reconnaissance exploration for tin and tantalum was undertaken by Sons of Gwalia Ltd. along the margins of the greenstone belt.

4.4 Exploration Potential

Tenement E45/2768 covers a large area of mafic and ultramafic sequences which is potentially prospective for gold and or nickel mineralisation, and is considered a grass-roots project of moderate prospectivity.

Ravensgate understands that Buxton Resources' follow-up work would include regional geological mapping, reconnaissance and surface geochemical sampling and an airborne electromagnetic survey to identify any potential targets within the project.

4.5 Exploration Programme and Budget

This is a greenfield exploration project that the company intends to rapidly advance. It covers a large area of mafic and ultramafic rock-types which are potentially prospective for gold and or nickel mineralisation.

A comprehensive exploration budget has been prepared by Buxton Resources to conduct exploration for nickel and gold mineralisation. It is recommended that the following exploration activities be undertaken:

- Acquisition of available aeromagnetic and Landsat data. Reprocessing of these data to better define structures;
- Systematic geochemical sampling (streams, soil and rock-chip) of the tenement;
- Airborne electromagnetic survey to test for conductive horizons which may relate to buried sulphide mineralisation. Ground geophysical surveys to confirm geometry of generated targets.
- Deep percussion drilling to test best geochemical and geophysical targets

An exploration programme constituting \$0.61M over two years is presented in Table 6.

TABLE 6 WESTERN SHAW PROJECT - PROPOSED EXPLORATION ACTIVITIES AND BUDGET

Activity	Year 1	Year 2
Technical & Support Staff	\$40,000	\$40,000
Field Costs	\$30,000	\$30,000
Geochemistry - Systematic grid based sampling	\$50,000	\$20,000
Geophysics	\$120,000	\$40,000
Drilling	\$0	\$150,000
Land Access / Tenement Costs	\$20,000	\$20,000
Administration / Other Costs	\$25,000	\$25,000
Total	\$285,000	\$325,000

5. DEMPSTER PROJECT

5.1 Location and Tenure

The Dempster Project is located approximately 90km north-northeast of Esperance and approximately 60km west of the sealed Kalgoorlie-Esperance highway and rail line. Access to the Project is excellent via a network of old exploration tracks.

The Project consists of three contiguous exploration licence applications (E63/1114, E63/1120 and E63/1121) covering a total of 411.6km².

The Project area is characterised by low relief landscape with shallow drainage. The area is vegetated by dense scrub of Eucalyptus, Casuarina, Acacia, Melaleuca, bluebush and saltbush.

Buxton Resources entered into an agreement on 1 May 2007 with R. Smit to acquire a 90% interest in the Dempster Project.

TABLE 7 DEMPSTER PROJECT – TENEMENT DETAILS

Tenement	Area (km2)	Status	Date	Holder
E63/1114	156.8	Application	18/1/2007	R Smit
E63/1120	137.2	Application	30/1/2007	R Smit
E63/1121	117.6	Application	31/1/2007	R Smit

5.2 Regional Geology

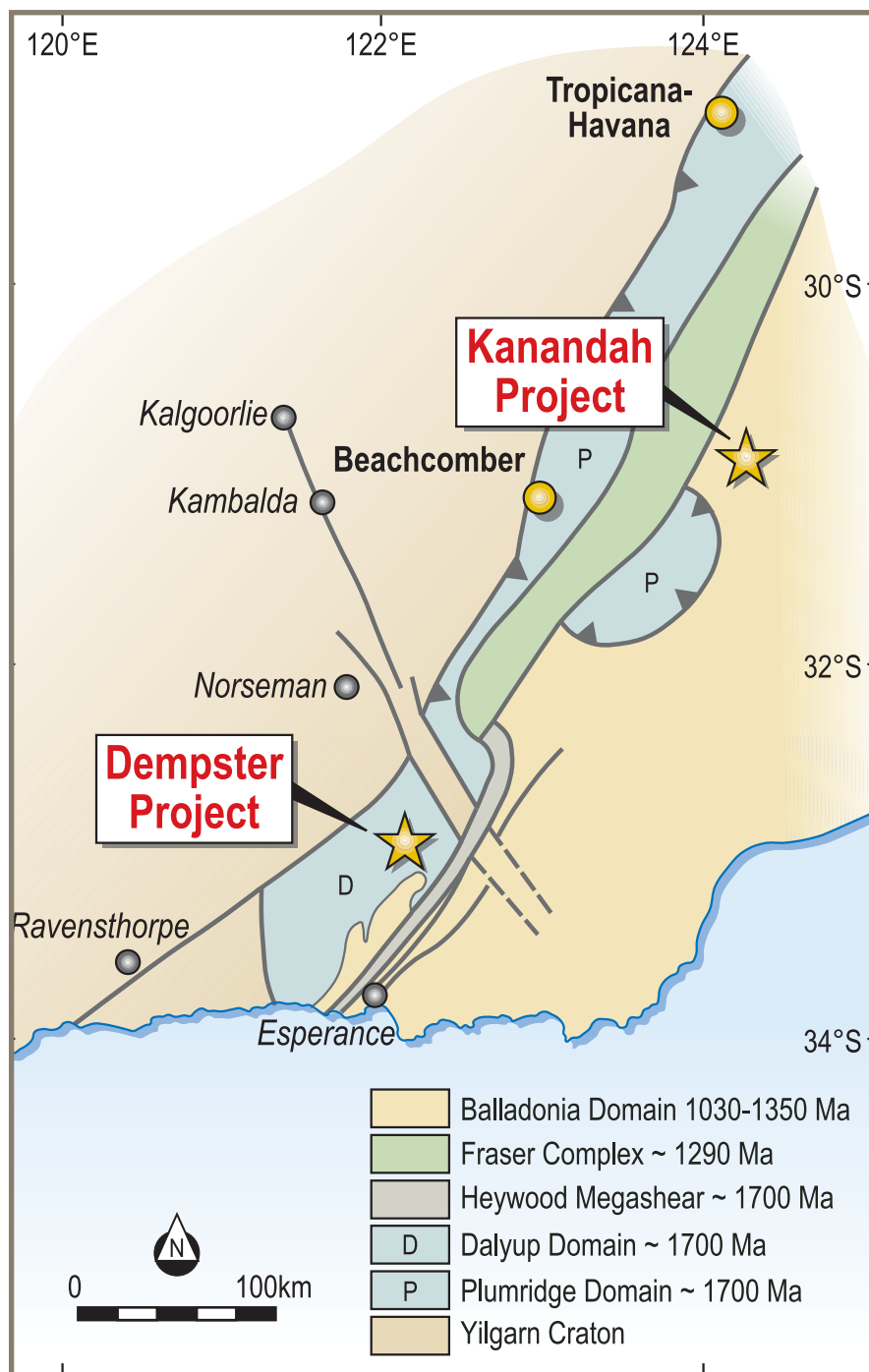
The Project lies within northeast trending corridor of Proterozoic rocks which are thrust north-westerly over the Archaean Yilgarn Craton (Figure 7). These Palaeoproterozoic to Mesoproterozoic rocks are part of the Albany-Fraser Orogen and are characterised by high grade metamorphic rocks, granitoid intrusions and polyphase deformation.

Myers (1990) divided the Albany-Fraser Orogen into the Biranup Complex (1600-1700Ma) and the Nornalup Complex (1130-1350Ma). BHP (Stephens and Grimley 2000) refined this classification based on their regional and local studies during the late 1990's to the following:

- Biranup Complex (1600 – 1700 Ma) - Strongly deformed Palaeoproterozoic high grade quartzo-feldspathic and basic gneisses (paragneiss and orthogneiss).
- Nornalup Complex (1130 – 1350 Ma) - Weakly to strongly deformed package of Mesoproterozoic orthogneiss with subordinate paragneiss which are extensively intruded by syn-post tectonic granitoids. This definition also incorporates the mafic granulites of the Fraser Complex.

There is no surficial outcrop within the Project area; but historical drilling has shown that the depth to basement is commonly less than 20 metres, and that the transported cover sequence consists of sand and clay horizons with zones of ferricrete, silcrete and calcrete.

FIGURE 7 DEMPSTER PROJECT - REGIONAL GEOLOGY



A regional airborne magnetic survey flown by Pan Australian Exploration Pty Ltd (Pan) in 1996 included the Project area. This data has been reviewed and the interpreted bedrock geology of the district is described in terms of structural and magnetic domains.

- Grass Patch Domain (1600 – 1700 Ma): This domain is primarily a non-magnetic package that contains a small number of weak magnetic trends. The core of the domain is characterised by more magnetic linear horizons and their pattern suggests an antiformal structure; informally named the Crystal Lake Antiform. The structural grain is seen to be

predominantly northeast-southwest. The northeastern margin of the domain is defined by subtle linear horizons, which trend northwest-southeast and are parallel with contact of the Dalyup Domain. This structural grain reflects faulting and shearing orthogonal to the major structural grain of the Fraser Mobile Belt. Drilling has shown that this domain consists mostly of feldspar-quartz-biotite-garnet gneiss (paragneiss) with lesser quartz-feldspar granofels (orthogneiss) and hornblende-biotite-feldspar-garnet gneiss (mafic gneiss).

- Dalyup Domain (1600 – 1700 Ma): This domain has a distinctive magnetic pattern caused by complex folding and associated faulting. It is also characterised by post-tectonic granitoids of unknown age. The contact between the Dalyup Domain and the Grass Patch Domain is easily defined by the magnetic data and it is interpreted as a folded thrust.
- Ridley Domain (1130 – 1350 Ma): This domain is characterised by closely stacked, strongly magnetic linear units and is coincident with a gravity high suggesting that these rocks may be mafic granulites similar to the Fraser Complex. If this is the case this domain represents a thrust sheet (klippe) of the Nornalup Complex.
- Heywood Megashear: This is a 15km to 20km wide zone that separates the Nornalup Complex from the Biranup Complex. The northeast trending shear zone is dominated by moderately magnetic linear trends.

5.3 Exploration History

There has been only sporadic mineral exploration in the district with the most significant activity being lignite exploration in the 1980's and base metal exploration in the late 1990's by Pan and BHP.

5.3.1 Lignite Exploration

The discovery of lignite at Scaddan by Western Collieries in 1979 to the south triggered a rush of exploration during the 1980s. Most of the region was flown with the INPUT airborne EM system to locate Eocene palaeo-channels which is host to the lignite. The palaeo-channels were then systematically drill-tested for lignite. It is not known if INPUT was flown at Dempster as the geophysical data is poorly recorded.

Wide-spaced scout drilling was routinely completed away from known palaeo-channels. Scout drilling over the

Dempster Project area indicates no palaeo channels are present and that the cover sequence is mostly sand with a depth to basement consistently less than 20 metres (Figure 9).

The exploration focus was on the cover sequence and consequently minimal geological information was recorded for the Proterozoic basement. Most of the basement intersections have simply been described as being deeply weathered, with occasional references to an obvious accessory mineral such as mica, garnet or quartz.

5.3.2 Base Metal Exploration

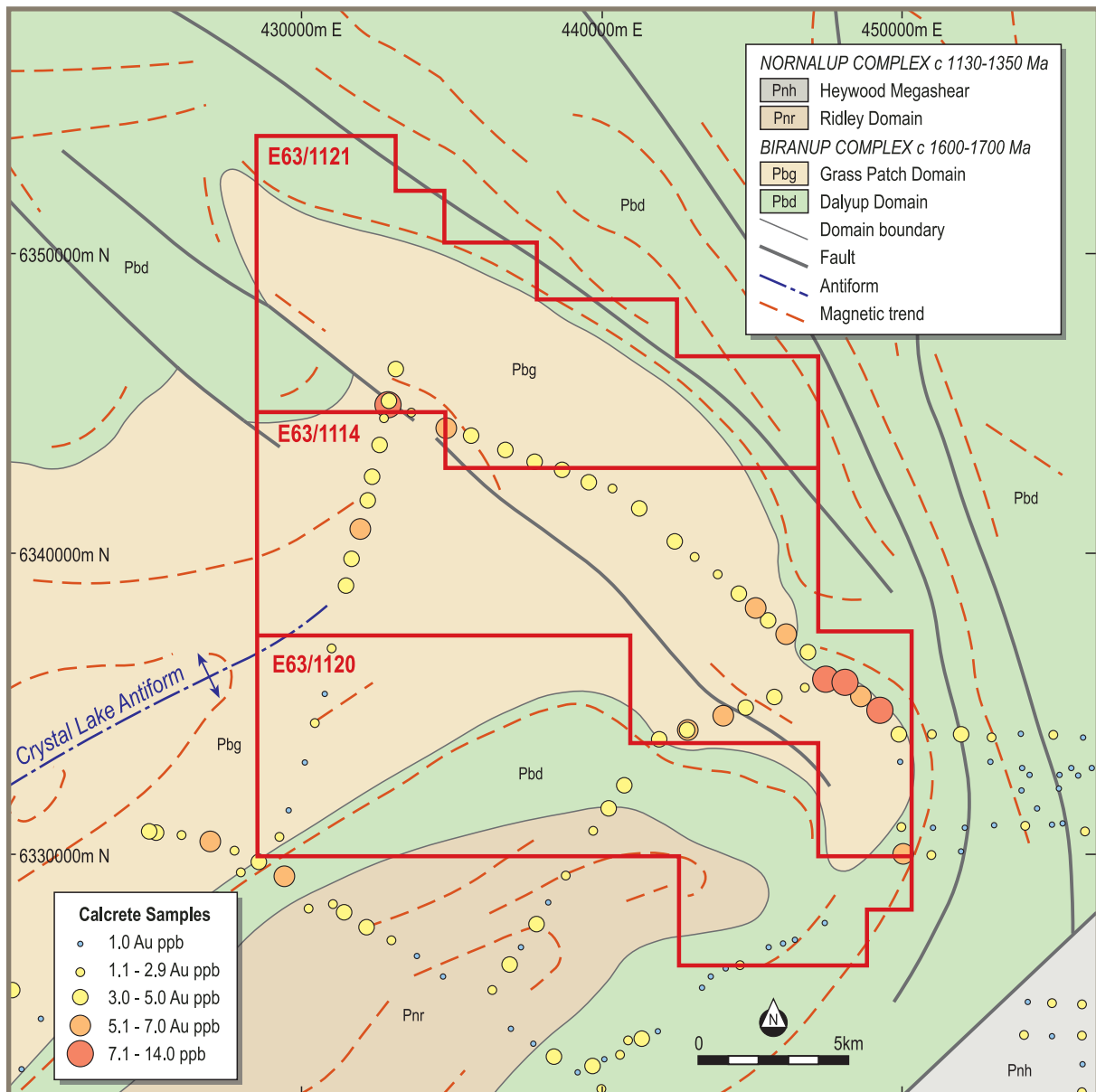
Pan completed a regional airborne magnetic survey in 1996 which included the Dempster Project area. No ground work was undertaken by Pan in the Project area; however, drilling and surface sampling was completed along access tracks to the west and north of the Project area.

BHP entered into a joint venture with Pan and also acquired additional tenements in its own right. BHP considered the district prospective for Broken Hill Type (BHT) Zn-Pb-Ag mineralisation based on magnetic character, structural setting and new age dating indicating that the quartzo-feldspathic gneisses in the district are 1600-1700 Ma..

In the Project area BHP completed initial calcrete sampling and follow-up aircore drilling traverses (Figures 8 and 9).

- Reconnaissance wide-spaced calcrete sampling by BHP in 1999 along existing access tracks outlined a large low-level gold anomaly (Stephens 2000). The dimension of the defined gold anomaly is hard to ascertain due to the lack of available systematic data; however, many values above 2.5 ppb Au were recorded. A cluster of higher gold results occurs within the eastern portion of the Project; where three of the four samples collected along the track returned between 10 ppb Au and 14 ppb Au. The magnetic data shows that this anomaly occurs close to the contact of a non-magnetic rock package (Grass Patch Domain) and a linear magnetic package of rocks (Dalyup Domain). Regional interpretation suggests that this zone is part of a north-west trending deep crustal structure. These results are considered highly significant as the dimension of this gold anomaly is comparable in size and magnitude to the anomaly that led to the discovery of the Tropicana – Havana Prospect (multi-million oz potential).

FIGURE 8 DEMPSTER PROJECT - INTERPRETED BEDROCK GEOLOGY AND CALCRETE GEOCHEMISTRY



- BHP drilled several fences of aircore drillholes in 2000 to investigate the base metal potential of the district (Stephens, White and Gregory 2001). Two traverse lines (Traverse 4 and 6) were completed within the Dempster Project area. Aircore drillholes were vertical and spaced at 400m along the line of the traverse. BHP also tested some discrete magnetic targets as well as the gold in calcrete anomaly.

Traverse 4: 28 drillholes were drilled along Traverse 4. Drilling indicates that the transported cover consists of aeolian sand and clay horizons with zones of ferricrete and silcrete. It is generally < 20 m thick.

Saprolite is well developed above basement and ferruginous saprolite occurs in several holes. Basement comprises a combination of fine-grained quartz-feldspar-biotite-garnet-sillimanite gneiss, hornblende-biotite-feldspar-garnet gneiss and quartz-feldspar granofels.

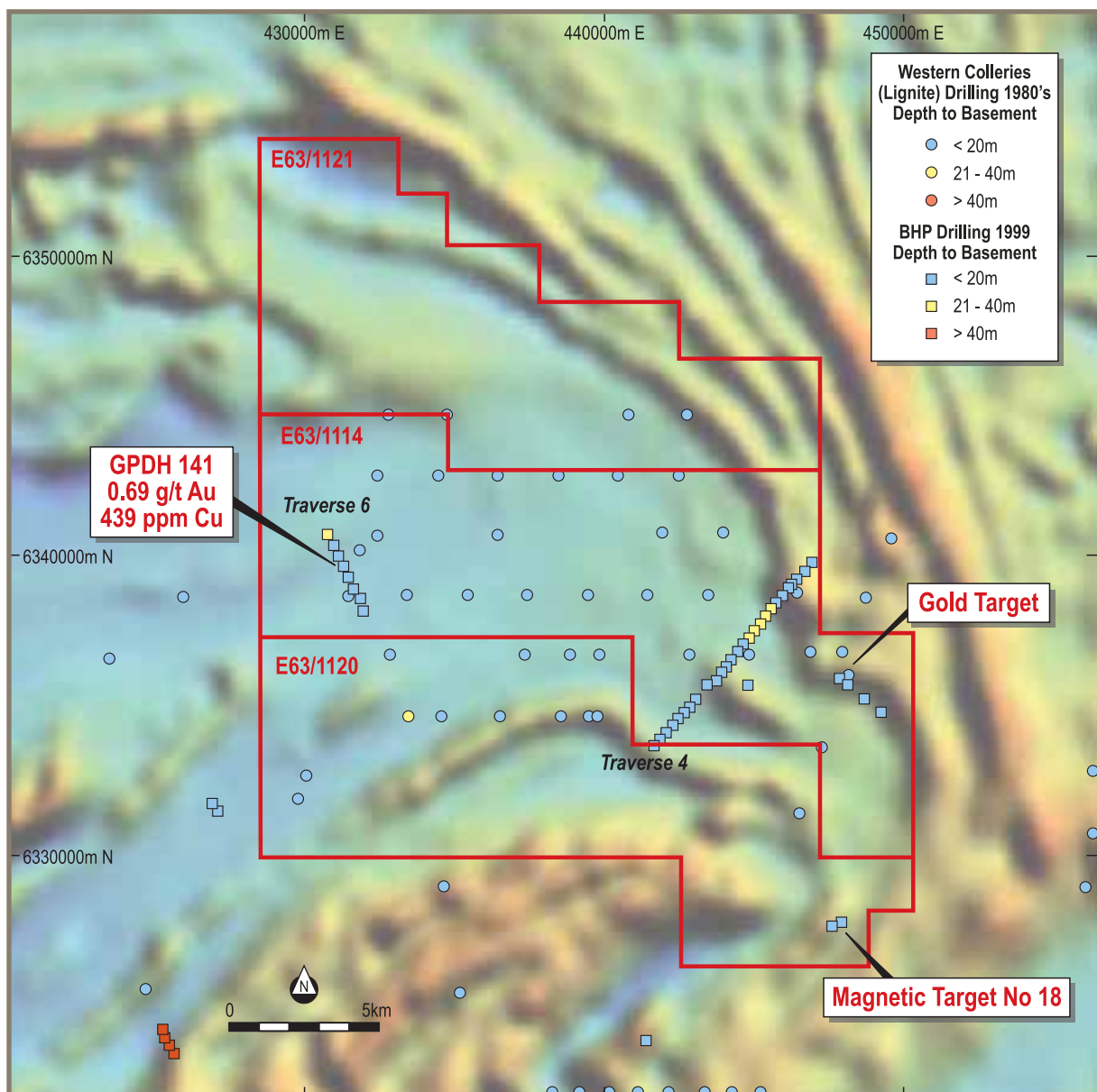
Traverse 6: Eight aircore drillholes were completed along Traverse 6. Transported cover, generally less than 20m thick, is present along most of the traverse, and consists largely of sand facies. Minor sandstone is developed in drillhole GPDH141.

Pallid clay, saprolite, ferruginous saprolite and micaceous saprolite is developed in the area above basement rocks, which largely comprise quartz-feldspar-biotite-garnet+sillimanite gneiss (psammo-pelites) in the southeast and quartzo-feldspathic gneisses in the northwest.

Gold mineralisation was detected in GPDH141 (Stephens, White and Gregory 2001) at the bottom of the drillhole associated with saprock after medium grained feldspar-quartz-biotite gneiss. The bottom of drillhole sample from the 20-21 metre interval returned 0.687 g/t Au, 439 ppm Cu with elevated Ag, Mo, Ni and Sn.

This drill intersection is considered highly significant as it confirms the presence of Proterozoic gold in the Project area. Ravensgate is advised that the company intends to test this area with close-spaced deep percussion drillholes.

FIGURE 9 DEMPSTER PROJECT – AIRCORE DRILLING LOCATION PLAN AND MAGNETICS



5.4 Exploration Potential

The principal target is gold mineralization associated with Palaeoproterozoic rocks of the Fraser Orogen. This is an emerging new Australian gold province; where AngloGold-Ashanti discovered a large gold deposit at Tropicana – Havana in 2003 and more recently announced a new prospect at Beachcomber. These deposits and prospects are located 470km and 250km along strike to the northeast of the Dempster Project (Figure 7).

These discoveries have been made by drilling follow-up of very low order surface geochemical anomalies. The Dempster Project is known to contain a surface gold anomaly that is comparable in size and magnitude that led to the discovery of the Tropicana – Havana Deposit. The regolith profile at Dempster is also very similar to that at Tropicana-Havana and consists of thin sand cover (<20m).

Tropicana-Havana Gold Discovery

The Tropicana gold anomaly was first detected by WMC in 1997-1998. WMC collected composite soil samples on nominal 1km spaced lines (composite of five 200m spaced samples). The <75µm fraction was analysed for gold using a HF digest and fire assay. Results outlined a broad coherent low-level gold-in-soil anomaly; in excess of 60km² using a 2.5ppb threshold (background levels around 1ppb). Only two gold values in excess of 10ppb were recorded (12ppb, 24ppb). Selective retesting of the original 200m composite samples (<75µm fraction) using aqua regia digest confirmed the gold anomalism (peak value of 31ppb recorded).

WMC surrendered the tenement without drill-testing the identified low level gold-in-soil anomaly.

Wide-spaced drilling by Anglogold (2002-03) to test this gold-in-soil anomaly returned positive results. Supergene gold mineralisation was defined over a one kilometre strike length beneath shallow transported cover (5-15m) whilst primary gold mineralisation was intersected in several of the deeper holes. The ensuing systematic exploration of the prospect over the last few years has shown that this is a very large mineralized system and has multi-million ounce gold potential.

5.5 Exploration Programme and Budget

The Project area contains a significant large low-order surface gold anomaly which is not well defined. The tenements are currently in application status; but Buxton Resources has prepared a provisional budget assuming granting of the tenements. Funding of the proposed exploration would come from the remainder of the funds raised and potentially pro-rata from the proposed budgets for the Warda Warra and Western Shaw Projects.

Upon grant of the tenements, the company intends to complete a grid-based sampling programme to define its limits and then drill fences of holes across the strongest portion of the gold anomaly. In parallel with this the company intends to test the GPDH141 area with deep percussion drillholes. A comprehensive exploration budget has been prepared by Buxton Resources to conduct exploration for gold mineralisation, with recommendation that the following exploration activities be undertaken:

- Acquisition of available aeromagnetic and Landsat data. Reprocessing of these data to better define structures;
- Systematic grid based geochemical sampling (nominal 500m x 500m spacing) of the project area to define the limits of the gold anomalous zone. Approximately 1,600 samples to be collected.
- The drilling of a fence(s) of shallow aircore holes to test the best surface geochemical targets;
- The drilling of a deeper percussion holes to test the GPDH141 area.

Table 8 details the proposed exploration activities and expenditure for the Dempster Project, subject to grant of the tenement applications.

**TABLE 8 DEMPSTER PROJECT - PROPOSED EXPLORATION ACTIVITIES AND BUDGET
(SUBJECT TO GRANT OF TENEMENTS)**

Activity	Year 1	Year 2
Technical & Support Staff	\$30,000	\$30,000
Field Costs	\$20,000	\$30,000
Geochemistry - Systematic grid based sampling	\$60,000	\$15,000
Geophysics	\$0	\$20,000
Drilling	\$25,000	\$140,000
Land Access / Tenement Costs	\$15,000	\$20,000
Administration / Other Costs	\$15,000	\$25,000
Total	\$165,000	\$280,000

6. EELYA HILL PROJECT

6.1 Location and Tenure

The Eelya Hill Project is located approximately 27km along unsealed station tracks to the east-northeast of the town of Cue, Western Australia. Cue is a small pastoral and mining town located 350km by sealed road to the east-northeast of the port of Geraldton and 560km by sealed road to the north-northeast of the city of Perth.

The Project consists of two small contiguous tenement applications (P20/2018 and E20/659) covering a total of 5.86km². Buxton Resources entered into an agreement to acquire a 90% interest in the Project with the holder Montezuma Mining Company Ltd (Montezuma).

TABLE 9 EELYA HILL PROJECT – TENEMENT DETAILS

Tenement	Area (km ²)	Status	Date	Holder
P20/2018	0.2554	Application	22/2/2007	Montezuma
O/659	5.6	Application	22/2/2007	Montezuma

The Project area is characterised by low relief with laterite hills and small breakaways. The area is vegetated predominantly by Mulga scrub.

6.2 Regional Geology

The Project is located within the Murchison granite-greenstone Province of the Archaean Yilgarn Craton. Zircon age dating indicates an age of 3.00 to 2.70 Ga for greenstone deposition in the Murchison. The geology of the district (Figure 10) has been described in the past in terms of associations and domains (Hallberg, 1991) and this approach is outlined here.

Kurrajong Syncline consists mainly of interlayered mafic and ultramafic rocks and a prominent banded iron formation (BIF). These rocks have been folded into the south plunging Kurrajong Syncline. The main line of gold deposits occurs within the western limb of the fold and most gold deposits are associated with BIF. The largest gold mine on this line is the Tuckabianna Gold Mine which is located 7 km to the southwest of the Project area. The northernmost goldmine on this line is the White Well Gold Mine which is located near the eastern tenement boundary.

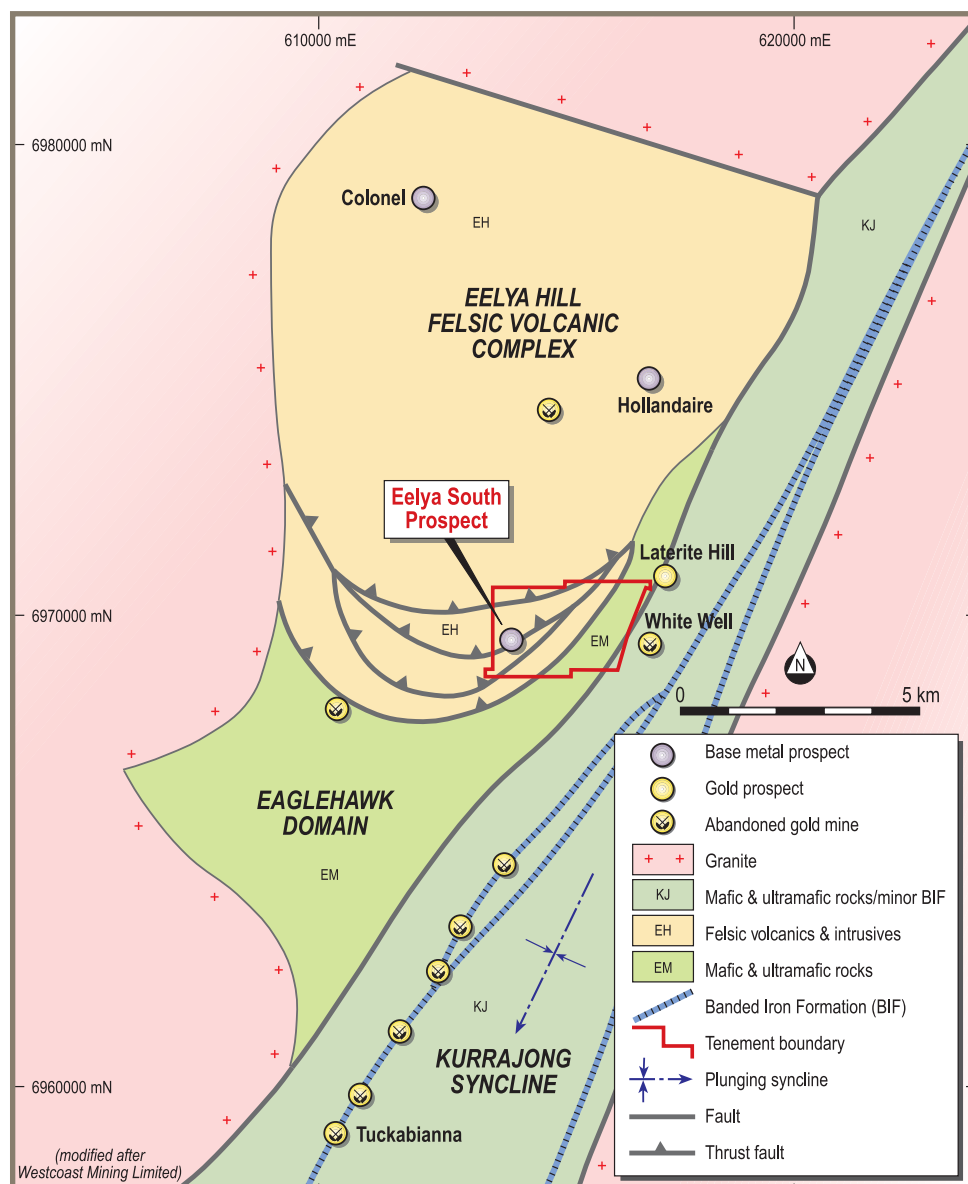
Eelya Hill Felsic Volcanic Complex (Eelya Complex) has mostly been stripped of its laterite by erosion, exposing moderately weathered bedrock. The Eelya Complex consists of a core of recrystallised granodiorite flanked by felsic schists. The felsic schists are composed of muscovite, sericite, quartz, chlorite, biotite and minor pyrite. These rocks are interbedded with minor mafic and ultramafic schists, sheared porphyry and amphibolite. Minor base metal sulphides were discovered within the Eelya Complex at Eelya South, Hollandaire and Colonel in the 1960's and 1970's.

The company's project occurs within the Eelya Complex and includes the Eelya South Prospect. The best result at Eelya South by the base metal explorers was 10m at 0.78% Zn, 0.25% Pb and 41 g/t Ag. Subsequent gold exploration by Newcrest at Eelya South returned better results of 3m at 6.9% Cu and 3.57 g/t Au.

Eaglehawk Domain consists mainly of mafic and ultramafic rocks with minor felsic intrusions; there are no BIF. The sequence has been metamorphosed to lower-middle amphibolite facies.

The Eelya Complex and the Eaglehawk Domain are separated from the Kurrajong Syncline by the north-northeast trending Tuckabianna Shear.

FIGURE 10 EELYA HILL PROJECT - REGIONAL GEOLOGY



Minor gold mineralisation is present at several locations within the company's Project area, the most important being the Eelya South Prospect. Here gold mineralisation is hosted by coarse grained ferruginous quartz muscovite schist (thin sheared porphyries). This unit outcrops sporadically over a strike length of 600 m. The mineralized zone dips to the southeast between 30 and 60 degrees and is intercalated with foliated amphibolite. Previous drilling has shown that economic gold grades are erratically distributed and that the overall grade of the mineralized zone is low.

Another small but important gold occurrence occurs just to the north of the northeast tenement boundary. Supergene and primary gold mineralisation is present in highly weathered ultramafic schist and is known as the Laterite Hill Prospect. The southern extension of this mineralized horizon occurs on the Company's ground.

FIGURE 11 EELYA HILL PROJECT - LOCAL GEOLOGY

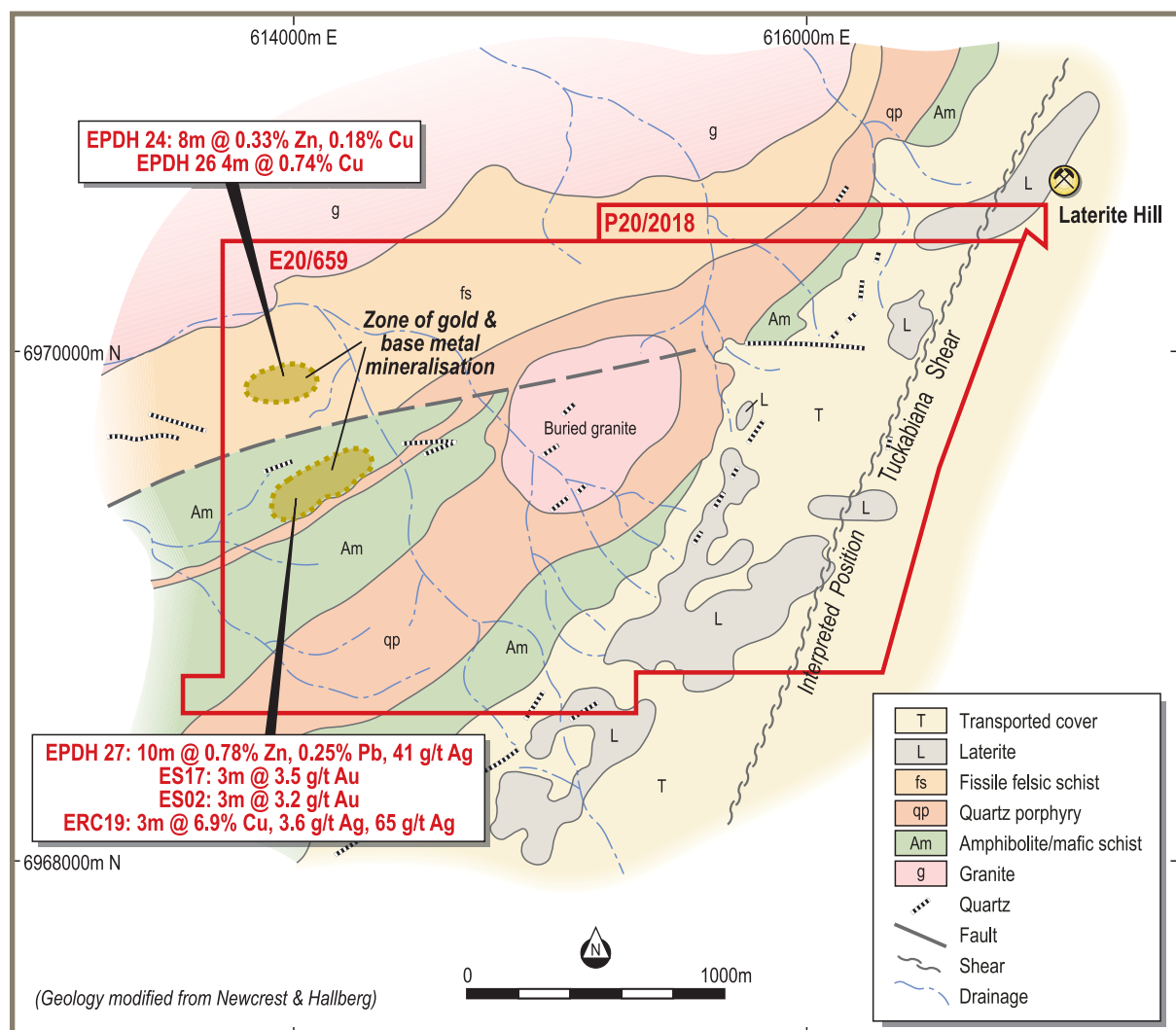
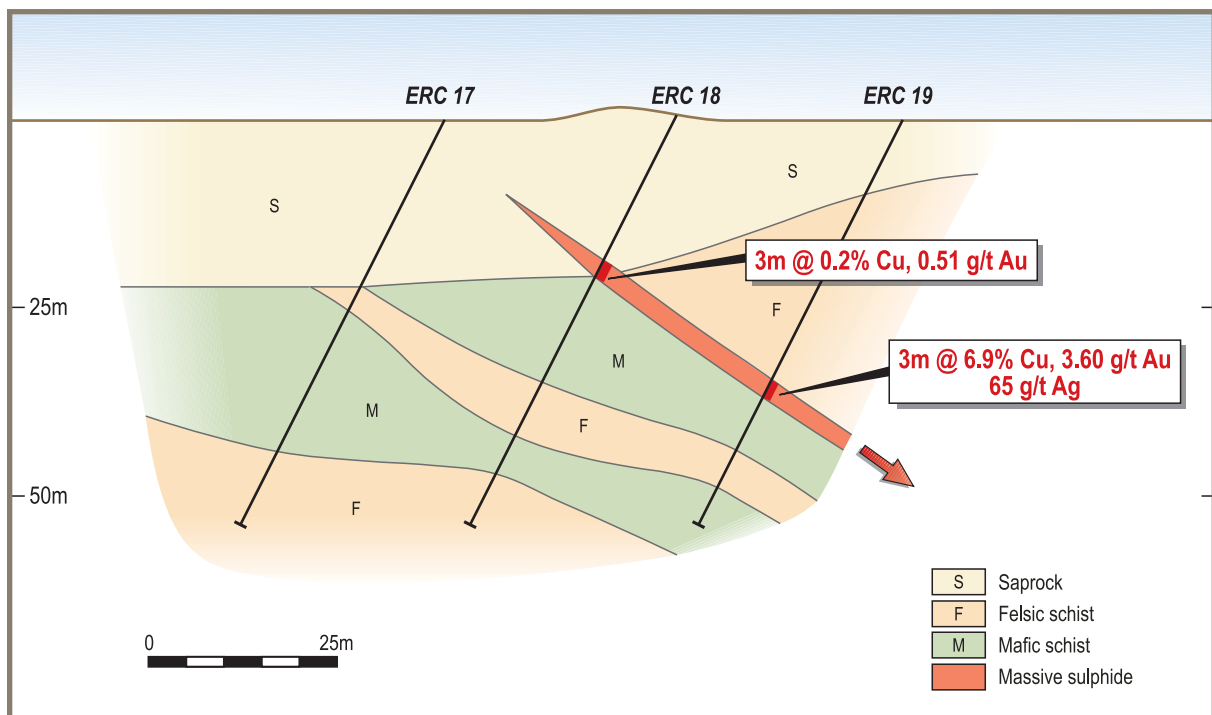


FIGURE 12 EELYA HILL PROJECT – EELYA SOUTH PROSPECT, CROSS-SECTION (LOOKING NORTH)



6.3 Exploration History

6.3.1 Base Metal Exploration

The Eelya Complex contains a number of surface gossans within felsic rocks and was explored for base metal sulphide mineralization in the 1960s and 1970's. Most of the exploration in the district was undertaken by Electrolytic Zinc Corporation of Australia Limited (EZC), Esso Exploration and Production Australia (Esso) and Aquitaine Australia Minerals Pty Ltd (Aquitaine). Collectively this group of companies completed surface sampling, geological mapping, geophysical surveys and a number of phases of drilling.

The base metal explorers eventually confined most of their exploration efforts to three areas where surface gossans and surficial base metal enrichment reflected buried stratiform disseminated sulphide mineralisation. The three areas were designated the Eelya South, Hollandaire and Colonel Gossan Zones. Only the Eelya South Prospect occurs within the Company's project area.

EZC (Ingram 1977) reported 1.3m of pyrrhotite-pyrite-chalcopyrite mineralization grading 2.4% Cu and 0.22% Zn. Subsequent work by Newcrest (Mann 1993) at Eelya South returned best results of 3m at 6.9% Cu and 3.57g/t Au. These results have not been followed up and remain open along strike and at depth.

6.3.2 Gold Exploration

Gold exploration in the district was rejuvenated by the advances in treatment technologies of low-grade oxide ores. Junior gold explorers often in partnership with a larger company commenced re-evaluating many of the abandoned small gold prospects in the district. As a result of this work many small to modest size gold mines were operating in the 1980's and 1990's including those at Tuckabianna.

The gold exploration history on the company's project started in 1984 when Samantha Exploration NL (Samantha) in partnership with Freeport of Australia Incorporated (Freeport) decided to evaluate the gold potential of the base metal gossans. Their initial work of reconnaissance rock-chip and soil sampling confirmed the presence of anomalous gold values

in gossans, ironstone and pyritic schist. Many low order auriferous horizons were detected including a pyritic quartz-sericite schist horizon which contained up to 4.1 ppm gold from rock-chip sampling.

Eelya South Prospect

The initial drill-testing of the Eelya South Prospect returned encouraging shallow gold intersections (drillholes ES2 & ES17). Subsequent drilling over the next decade or so returned a number of similar gold intercepts; however, the gold distribution was erratic and the overall grade of the mineralized zone was considered to be low. The best drill intercepts are summarised in Table 10.

TABLE 10 EELYA SOUTH PROJECT –SIGNIFICANT DRILLHOLE INTERCEPTS

Drillhole ID	Easting (Local)	Northing (Local)	Dip (°)	Depth (m)	Intercept
1984 RAB Samantha/Freeport JV					
ES2	9565	6995	-90		13-16m; 3m @ 3.19g/t Au
ES17	9805	7207	-90		6-9m; 3m @ 3.50g/t Au 12-15m; 3m @ 2.33g/t Au
ES18	9796	7215	-90		11-23m; 12m @ 1.48g/t Au
1987 RAB Samantha/Freeport JV					
ESR82	9570	7000	-60N	16	8-10m; 2m @ 3.74g/t Au
ESR117	9780	7200	-60N	20	18-20m; 2m @ 3.17g/t Au
ESR173	9740	7200	-60N	19.5	9-18m; 9m @ 1.94g/t Au
1987 RC Samantha/Freeport JV					
ESRC1	9750	7061	-60WNW	32	16-18m; 2m @ 1.40g/t Au
ESRC6	9546	7001	-60WNW	56	16-18m; 2m @ 2.17g/t Au
1988 RC Samantha/Freeport JV					
ESP4	9750	7200	-60N	63	41-47m; 6m @ 1.52g/t Au
ESP5	9780	7200	-60N	60	14-25m; 11m @ 2.35g/t Au
1989 RC (changed local grid) Australmin/Samantha JV					
ERC8	20000	29900	-60N	60	37-39m; 2m @ 4.03g/t
ERC10	20000	30000	-60N	60	27-30m; 3m @ 1.45g/t Au 31-32m; 1m @ 3.78g/t Au
1993 RC Newcrest (changed local grid)					
ERC19	18600	7490	-60W	60	39-42m; 3m @ 3.57g/t Au, 6.9% Cu

ERC19 drill-tested an Induced Polarisation (IP) anomaly and intersected 3m at 3.6g/t Au, 6.9% Cu and elevated Pb, Zn, Ag, As, Bi and Sb from 39m. Massive sulphide mineralisation was located on the contact between strongly folded felsic and mafic volcanic units. The drilling was conducted in 1993, and to date, the result has not been followed up by any further drilling at depth or along strike. It is the company's intention to re-evaluate this prospect for its base metal potential in light of the significant result obtained in ERC19. Ravensgate is advised that exploration would involve an electromagnetic survey and then targeted drilling.

Laterite Hill Prospect

The Laterite Hill Prospect was discovered in 1986 and occurs adjacent, but not within, the Company's ground. It is located along the Tuckabianna Shear to the east of the Eelya South Prospect and likely lies within the Kurrajong Syncline. Gold mineralization is contained within discrete, narrow (often quartz-filled) shear zones in strongly oxidized talc-chlorite-(sericite) schist including minor thin BIF horizons. The zone of mineralisation is very discrete and is currently deemed sub-economic.

A selection of higher grade intersections previously (Australmin 1987, 1988) reported are included in Table 11.

TABLE 11 LATERITE HILL PROJECT –SELECTED PREVIOUS SIGNIFICANT DRILLHOLE INTERCEPTS

Drillhole ID	Easting (Local)	Northing (Local)	Dip (°)	Depth (m)	Intercept
1984 RAB Samantha/Freeport JV					
AEH28	21400	720	-60E	63	4-7m; 3m @ 10.6g/t Au
ARC282	21397	460	-90	100	30-37m; 7m @ 6.08g/t Au
ARC296	21450	650	-60W	45	26-29m; 3m @ 19.7g/t Au

The projected south-western extension of the mineralized zone occurs within the Company's ground. It is understood that this is not a priority target for the company in the short term, however, a thorough re-evaluation of data would be undertaken and, if considered appropriate, a small drill programme initiated.

6.4 Exploration Potential

The Project lies within the Eelya Hill Felsic Volcanic Complex which is known to contain a number of surface gossans related to pyrrhotite–pyrite–chalcopyrite mineralisation. The best drillhole intercept on the company's ground is 3m at 6.9% Cu, 3.57 g/t Au at the Eelya South Prospect. This mineralisation is open along strike and at depth. The Project area also contains the southern extension of the Laterite Hill gold prospect which contains narrow high-grade gold shoots.

The Company's exploration focus would be on the discovery of volcanogenic massive sulphide mineralisation ("VMS") similar to that at the Golden Grove Mine located 190 km to the southwest of the Project area. The company intends to screen the prospective structural corridors with an electromagnetic survey and then drill-test all strong conductors which may reflect the presence of buried massive sulphides.

6.5 Exploration Programme and Budget

The Project contains base metal and gold mineralisation that is poorly understood and there remains significant untested potential for strike extensions to the known mineralization. The tenements are currently in application status; but Buxton Resources has prepared a provisional budget assuming granting of the tenements. Funding of the proposed exploration would come from the remainder of the funds raised and potentially pro-rata from the proposed budgets for the Warda Warra and Western Shaw Projects.

A comprehensive exploration budget has been prepared by Buxton Resources to conduct exploration for base metal mineralisation at the Eelya Hill Project. The company would intend to use sophisticated geophysical tools (i.e. ground electromagnetics) to probe for buried semi-massive to massive sulphide mineralisation. The company also would propose to test at depth and along strike the copper-gold mineralisation detected in Hole ERC19.

Planned exploration would include:

- Acquisition of available aeromagnetic and Landsat data. Reprocessing of these data to better define structures;
- Systematic and detailed ground electromagnetic survey to locate semi-massive to massive sulphide horizons;
- The drilling of deep RC holes to test anomalies generated from the electromagnetic survey;
- The drilling of deep RC holes to follow-up the copper-gold hit in ERC19.

Table 12 details the proposed exploration activities and expenditure for the Eelya Hill Project, subject to grant of the tenement applications.

TABLE 12 EELYA HILL PROJECT - PROPOSED EXPLORATION ACTIVITIES AND BUDGET (SUBJECT TO GRANT OF TENEMENTS)

Activity	Year 1	Year 2
Technical & Support Staff	\$5,000	\$15,000
Field Costs	\$5,000	\$10,000
Geochemistry	\$0	\$10,000
Geophysics – Airborne EM and ground follow-up	\$30,000	\$0
Drilling	\$0	\$80,000
Land Access / Tenement Costs	\$10,000	\$5,000
Administration / Other Costs	\$5,000	\$8,000
Total	\$55,000	\$128,000

7. KANANDAH PROJECT

7.1 Location and Tenure

The Kanandah Project is located 310 km east of Kalgoorlie just north of the trans-Australian rail line. The Project consists of one exploration licence application (E28/1773) covering 462 km². Buxton Resources has 100% interest in this land holding application.

Previous exploration in the area is very limited, however, the project is still considered prospective for Broken Hill Type base metal mineralisation.

Details are presented in Table 13.

TABLE 13 KANANDAH PROJECT – TENEMENT DETAILS

Tenement	Area (km²)	Status	Date	Expiry Date	Holder	Rent	Minimum Expenditure
E28/1773	462.0	Application	29/5/2007		Buxton Resources Pty Ltd		

7.2 Regional Geology

The Project lies within northeast-trending corridor of Proterozoic rocks which are thrust north-westerly over the Archaean Yilgarn Craton (Figure 7). These Palaeoproterozoic to Mesoproterozoic rocks are part of the Albany-Fraser Orogen and are characterised by high grade metamorphic rocks, granitoid intrusions and polyphase deformation.

There is no surficial outcrop within the Project area and it is estimated from historical drilling that the depth to basement is 150m to 180m. The buried basement is interpreted to belong to the Nornalup Complex (1130Ma – 1350 Ma).

7.3 Exploration History

A due diligence search of open-file data indicates that only one previous exploration campaign has been undertaken in the tenement area.

7.4 Exploration Potential

The only exploration that has been documented for the area is that by BHP in 1999 (Stephens 2000b). BHP reviewed the regional geophysical data of the district and concluded that it was potentially prospective for iron oxide copper-gold mineralisation (IOCG).

BHP completed small airborne magnetic surveys over the more intense magnetic features seen in the regional wide-spaced (1500m line spacing) data. Two magnetic targets were selected for drill testing.

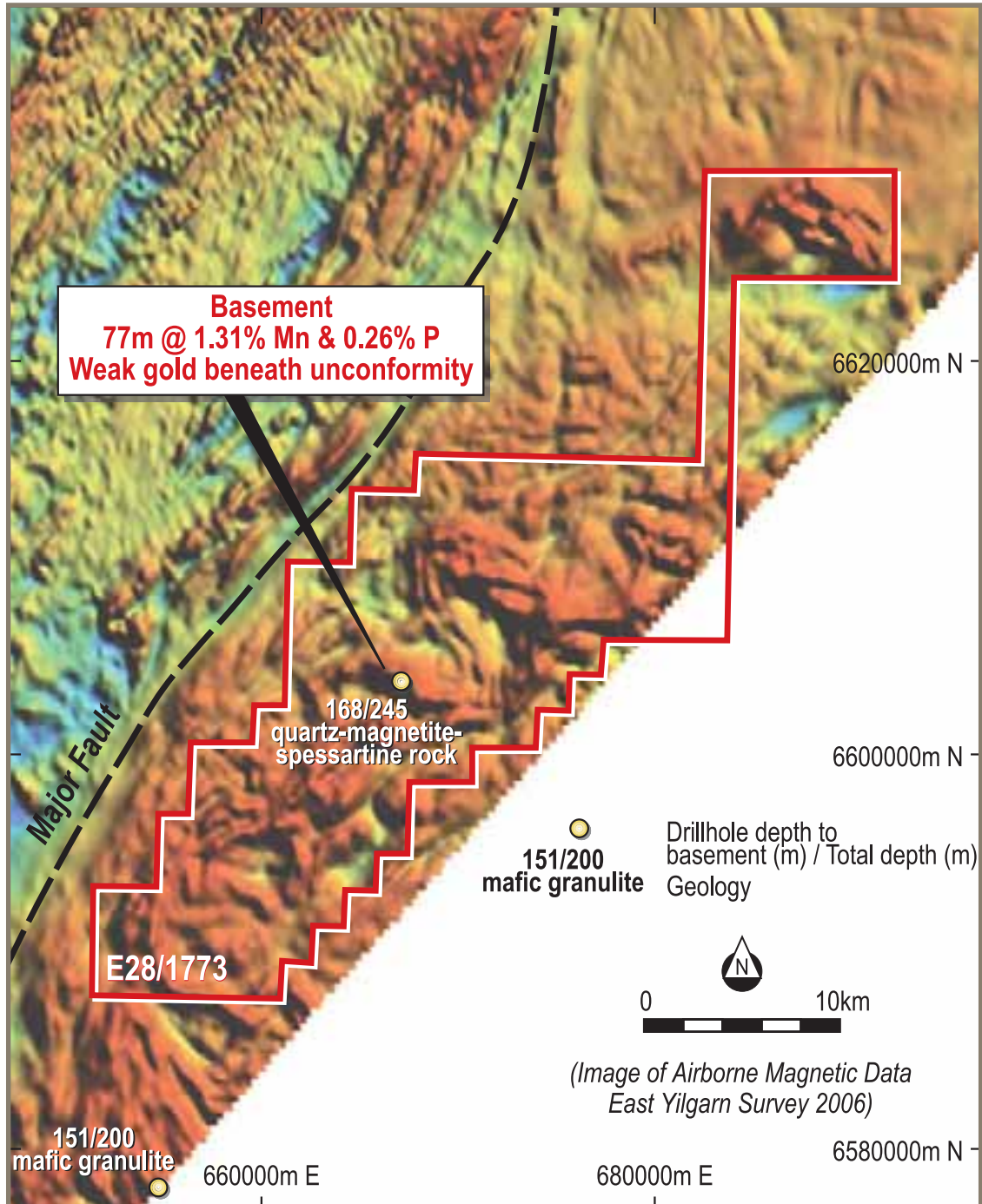
The first drillhole, NRAC-01, was drilled vertically to a depth of 200m into the largest magnetic body and intersected a magnetite-bearing mafic granulite beneath the Eucla Basin cover which persisted to a depth of 151m.

A second vertical drillhole, NRAC-02, was completed to test a small strongly magnetic body and intersected an unusual quartz-magnetite-garnet (spessartine) granulite interpreted as a metamorphosed banded iron formation beneath Eucla Basin cover (168 m). The hole was terminated at 245m and the entire basement section is highly anomalous in manganese and phosphorus. It is also characterized by weakly elevated gold (36m at 11ppb Au) at the saprock – fresh rock transition zone (178m-214m below surface).

BHP downgraded the IOCG potential but did suggest that, despite the lack of lead-zinc mineralisation so far shown within the granulite, more work would be required to evaluate the Broken Hill type base metal potential of the region.

The majority of the area under title was recently flown with detailed airborne magnetics (Figure 13) and radiometrics as part of the Geological Survey of Western Australia regional geophysical surveys initiative (East Yilgarn Survey, 2006). These new data sets show that the buried magnetic domain consists of a complex array of contorted magnetic horizons and that the northwestern margin is a major terrane boundary.

FIGURE 13 KANANDAH PROJECT - LOCATION AND AIRBORNE MAGNETICS 2006



7.5 Exploration Programme and Budget

The Company has identified the Kanandah Project as having potential for Broken Hill type mineralisation. Historical information indicates that the depth to bedrock is of the order of 150 – 180 m and this will make exploration for buried mineralisation challenging. The Company plans to complete a semi-detailed gravity survey in an effort to define discrete gravity anomalies that may be associated with buried sulphide systems. If high quality anomalies are generated these will be tested by deep percussion drilling.

A comprehensive exploration budget has been prepared by Buxton Resources to conduct exploration for base metals in this region and it is recommended that the following exploration activities be undertaken:

- Compilation, evaluation and interpretation of past exploration activities – including digital capture;
- Grid-based gravity survey to establish targets;

Ravensgate believes the proposed exploration philosophy and approach to have merit. Should the application be granted, Buxton Resources has developed an exploration programme constituting \$0.20M over two years as presented in Table 14.

**TABLE 14 KANANDAH PROJECT - PROPOSED EXPLORATION ACTIVITIES AND BUDGET
(SUBJECT TO GRANT OF TENEMENT APPLICATION)**

Activity	Year 1	Year 2
Technical & Support Staff	\$10,000	\$20,000
Field Costs	\$0	\$20,000
Geochemistry - Systematic grid based sampling	\$0	\$0
Geophysics	\$0	\$100,000
Drilling	\$0	\$0
Land Access / Tenement Costs	\$25,000	\$0
Administration / Other Costs	\$0	\$10,000
TOTAL	\$35,000	\$150,000

SECTION 4

INDEPENDENT GEOLOGIST'S REPORT

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SECTION 4

INDEPENDENT GEOLOGIST'S REPORT

GLOSSARY

aeolian	Formed or deposited by wind.
aerial photography	Photographs of the Earth's surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
aircore drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods.
airborne geophysical data	Data pertaining to the physical properties of the Earth's crust at or near surface and collected from an aircraft.
Ag	Chemical symbol for silver.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
auriferous	Rock that contains gold (Au).
AusIMM	Australian Institute of Mining and Metallurgy.
basalt	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
Basin	The site of accumulation of a large thickness of sediments.
Banded Iron Formation (BIF)	A rock that consists of alternating layers of chert and iron oxide mineral (usually hematite) with the iron oxide in high enough concentration to be of economic value.

base metals	A non-precious metal, usually referring to copper, lead and zinc.
bedrock	Any solid rock underlying unconsolidated material.
Bi	Chemical symbol for Bismuth.
biotite	Dark brown to black mica.
calcareous	Rock that contains a significant portion of calcium ie: calcareous siltstone, calcrete.
carbonaceous	Containing carbon.
calcite	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles.
chalcedony	Variety of quartz, commonly cryptocrystalline.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chalcopyrite	A brassy coloured sulphide mineral Cu Fe S ₂ , an important source of copper.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
Co	Chemical symbol for cobalt.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.
conduits	The main pathways that facilitate the movement of hydrothermal fluids.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
Cu	Chemical symbol for copper; a reddish metallic element, used as an electrical conductor and is the basis of brass and bronze.
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
diamond drilling	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.
dip	Angle at which a planar feature is inclined from the horizontal.
dissemination	Distribution of mineral in rock.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
ELA	Exploration Licence Application.
EL	Exploration Licence, granted by the relevant Government bodies.
electromagnetic (EM) survey	System of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the sub-surface. Often used to locate massive sulphide occurrences.
eluvial	Deposited by wind action

epidote	Lustrous green, yellow or black mineral. $\text{Ca}_2(\text{Al,Fe})_3(\text{SiO}_4)_3\text{OH}$.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the Earth's surface.
extrusive	Igneous rocks that have erupted on surface.
fault zone	A wide zone of structural dislocation and faulting.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
feldspar	Common rock forming mineral. $\text{X}(\text{Al, Si})_3\text{O}_8$, where X may = K, Na, Ca, BA, Rb, Sr or Fe.
feldspathic	Containing a major proportion of feldspar.
g/t	Grammes per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
galena	PbS. Blue-grey sulphide mineral of lead.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
goethite	Iron oxide mineral, Fe_2O_3 .
gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granoblastic	A term describing the texture of a metamorphic rock in which the crystals are of equal size.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
granitoid	General term to describe intrusive plutonic rocks with granitic affinities.
gravity survey	Measurement and collection of the Earth's gravitational field that can differentiate different rock types based on the distribution of densities.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
hematite	Iron oxide mineral, Fe_2O_3 .
hornblende	Mineral of the amphibole group.

hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from magma.
IP	Induced polarisation. The product of electric charge displacement.
A type of geophysical survey.	
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
inlier	An area or formation of older rocks completely surrounded by younger rocks.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
Iron Oxide Copper Gold (IOCG)	Style of mineral deposit where copper and gold is associated with iron oxide minerals, generally as a result of igneous activity.
ironstone	A rock formed by cemented iron oxides.
Joint Venture	A business agreement between two or more commercial entities.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lithological contacts	The contacts between different rock types.
lithotypes	Rock types.
Ma	Million years ago.
mafic	Rock types enriched in magnesium and iron.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
massive sulphide	Rock containing abundant sulphides that constitutes 100% of mass.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
metasedimentary	A rock formed by metamorphism of sedimentary rocks.
mica	Lustrous flaky mineral eg: Muscovite.
monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content (aka monzonite).
Mo	Chemical symbol for molybdenum.
Moz	Millions of ounces.
Mt	Million tonnes.
muscovite	Variety of white mica.
mudstone	Fine-grained sedimentary rock whose original constituents were clays or muds.
mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
Ni	Chemical symbol for nickel; a silvery-white metal used in alloys.
open pit	A mine working or excavation open to the surface.
outcrops	Surface expression of underlying rocks.

oxide	Highly weathered material
P	Chemical symbol for phosphorous
palaeochannel	Ancient drainage system.
Pb	Chemical symbol for lead; a metallic element, the heaviest and softest of the common metals
pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
plagioclase	A mineral of the feldspar group, a common rock forming mineral.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
porphyritic	Texture containing larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
ppm	Parts per million; a measure of low level concentration.
pyrrhotite	A brassy-yellow sulphide mineral $\text{Fe}_{1-x}\text{S}_2$
pyrite	A yellow sulphide mineral, FeS_2 .
quartz	Mineral composed of SiO_2
quartzofeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.
Proterozoic	An era of geological time from 544Ma to 2500Ma.
RAB Drilling	A drilling method in which the fragmented sample is brought to the surface outside of the drill rods. Generally used a first pass method, where indications if mineralisation are obtained, but are not of a sufficient quality for resource calculations.
radiometric	Geophysical survey where elements such as uranium, potassium and thorium are measured.
RC (percussion) drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point of origin.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
Rift	A break in the Earth's crust created by geological stress.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saprock	Zone of weathered rock preserved within the weathered profile.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the Earth's surface from satellites.
sand	Loose material consisting of grains of rock or coral.
sandstone	A medium-grained sedimentary rock.

schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
shear	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
siltstone	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
sphalerite	Principal mineral of Zinc (Zn), Can be white, red, yellow. ZnS.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the Earth's crust.
tholeiitic	A descriptive term for a basalt with little or no olivine.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
unconformity	Discontinuity between strata of different ages, signifying a cessation in deposition.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
VMS	Volcanogenic massive sulphide. Base metal deposit associated with felsic volcanics and extrusion of metal rich brines (hot smokers) onto sea floor.
volcanics	Formed or derived from a volcano.
Zn	Chemical symbol for zinc; a lustrous, blueish-white metallic element used in many alloys including brass and bronze.

SECTION 5

RISK FACTORS

5.1 Introduction

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the mineral exploration industry. These risk factors are largely beyond the control of the Company and its directors because of the nature of the proposed business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

5.2 General Risk Factors

(a) No Guarantee of Exploration Success or Profitable Development

Mineral exploration involves significant risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that gold or base metals will be discovered or, even if they are, that commercial quantities can be recovered from the Company's project area. No assurances can be given that if mineral ore reserves are discovered the Company will be able to profitably develop such reserves as intended.

(b) The Company May Be Unable To Obtain Environmental Approvals.

The Company's operations are subject to the environmental risks inherent in the mineral exploration industry. The Company is subject to environmental laws and regulations in connection with all its operations. Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, that could subject the Company to extensive liability. Further, the Company may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. The Company believes that it is in material compliance with all applicable laws relating to the protection of the environment. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(c) Operating Risks

Mineral exploration activities are subject to numerous risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortage or delays in the delivery of equipment and compliance with governmental requirements.

Industry operating risks include the risk of environmental hazards such as accidental spills or leakage, the occurrence of any of which could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Company. Although the Company believes that it or the operator will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Company's or the operator's insurance may not cover or be adequate to cover the consequences of such events. Moreover, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers reasonable.

(d) The Overall Share Market May Negatively Impact An Investment In The Company

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrants the future performance of the Company or any return on an investment in Buxton Resources.

(e) Failure to Meet Payment Obligations May Result In Dilution Or Forfeiture

Under the tenement conditions and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, the tenement owners are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments will render the tenements liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to the other parties, this could result in dilution or forfeiture of interests held by the Company. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

(f) The Company May Not Be Able To Exploit Successful Discoveries

It may not always be possible for the Company to participate in the exploitation of any successful

discoveries which may be made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. As described above, such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

(g) Commodity Prices May Go Down

The demand for, and price of, commodities is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative commodities, actions taken by governments and international cartels, and global economic and political developments. Commodity prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices and, in particular, a material decline in the price of commodities may have a material adverse effect on the Company's business, financial condition and results of operations.

(h) Governments May Stop Exploration and Production Activities

Any material adverse changes in government policies or legislation of the various countries in which it operates affecting mining and exploration activities may affect the viability and profitability of the Company.

(i) Joint Venture Parties and Contractors May Go Bankrupt

The Directors are unable to predict the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company may become a party; or
- (ii) insolvency or other managerial failure by any of the contractors used by the Company in its exploration activities.

(j) Access To Land May Be Stopped

Immediate access to the tenements in which the Company has an interest, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons or groups with an interest in the real property encompassed by the

licences. Compensation may be required to be paid by the Company to landholders to allow the Company to carry out exploration and/or production activities. Although the Company has not budgeted for compensation payments, there is no guarantee that additional amounts may not be required. Judicial decisions and legislation could also unforeseeably restrict land access.

(k) Directors And Consultants May Leave The Company

The success of the Company will depend in part on the continued services of its Directors and consultants. The loss of services of one or more of these persons could have a materially adverse effect on the Company's business, operating results and financial condition.

(l) The Company May Not Be Able To Raise Any Further Funds

The Company may need to raise debt and/or equity capital from time to time in relation to the funding of its projects and business activities. The availability of such capital is influenced by numerous factors including, but not limited to, economic, legal and political conditions and investors' and financiers' investment and credit policies. The inability to raise capital on favourable terms, or not at all, may have a negative impact on the Company's project and business development strategies. No assurance can be given that future funding will be made available on acceptable terms (if at all).

(m) Foreign Currency And Exchange Rate Fluctuations

The Company may invest in projects and businesses in countries outside of Australia in which case movements in the currency of the relevant country against the Australian dollar may increase or decrease the Australian dollar equivalent value of the investment.

These investments may result in revenue and expenditure of the Company being received or paid in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist manage these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

(n) The Company May Not Be Able To Secure Insurance

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the legitimate claim by the Company under an insurance policy.

(o) Industrial Disputes May Prevent Exploration And Production

The Company's projects and businesses may be adversely impacted by industrial disputes by employees of the Company, its contractors, its contract counterparties and/or other third parties. The Company will endeavour to provide working conditions, including salaries, which are consistent with best industry practice for the country and/or region in which it conducts its project and businesses. The Company will also endeavour to ensure its contractors and contract counterparties also adopt such practices. However, the risk of industrial disputes and the potential negative impact on a project or business of the Company cannot be fully mitigated.

5.3 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares in the Company.

SECTION 6

INDEPENDENT ACCOUNTANT'S REPORT

13 July 2007
The Directors
Buxton Resources Ltd
46 Ord St
West Perth WA 6005



Dear Sirs

RE: INDEPENDENT ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Buxton Resources Ltd ("Buxton Resources" or "the Company") for inclusion in a Prospectus to be dated on or around 23 July ("the Prospectus") relating to the proposed issue by Buxton Resources of up to 25,000,000 shares to be issued at a price of 20 cents per share to raise up to \$5,000,000. The minimum subscription level is \$3,000,000 (15,000,000 shares).

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results and the assets and liabilities of Buxton Resources. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Rothsay Consulting Services Pty Ltd has not been requested to consider the prospects for Buxton Resources, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Rothsay Consulting Services Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

Buxton Resources was incorporated as a proprietary company on 23 April 2007 with the issue of 10 ordinary shares of 20 cents each. The company changed its status to a public company on 29 June 2007. Subsequent to incorporation and to the date of this report 4,500,000 ordinary shares were issued to the founders and advisers paid to 0.05 cents (\$2,250) and 2,000,000 ordinary shares were issued to seed capitalists at 8 cents (\$160,000) then a further 2,000,000 ordinary shares were issued to a second tranche of seed capitalists at 8 cents (\$160,000).

The founder shares have 3,000,000 attached options exercisable at 20 cents each expiring 30 June 2012 and 3,000,000 attached options exercisable at 30 cents each expiring 30 June 2012. The second tranche of seed shares have 1,000,000 attached options exercisable at 30 cents each expiring 30 June 2012.

5,000,000 fully paid ordinary shares of NIL cents each were issued as consideration to the vendors of the exploration properties acquired.

Potential investors should read the Prospectus in full and note the value attributed to the exploration properties acquired.

Details on all contracts entered into between Buxton Resources and other parties are outlined in the Material Contracts section of the Prospectus.

4. Scope of Examination

You have requested Rothsay Consulting Services Pty Ltd prepare an Independent Accountant's Report on:

- (a) The results of Buxton Resources for the period from incorporation to 31 May 2007;
- (b) The statement of financial position of Buxton Resources as at 31 May 2007;
- (c) The pro-forma statement of financial position of Buxton Resources as at 31 May 2007 adjusted to include funds to be raised by the Prospectus.

We have examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- (i) Discussions with Directors and other key management of Buxton Resources;
- (ii) A review of the accounts of Buxton Resources;
- (iii) A review of publicly available information; and
- (iv) A review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the proforma statement of financial position as set out in Appendix 2 presents fairly, the proforma statement of financial position of Buxton Resources as at 31 May 2007 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3.

No opinion is expressed on the historical results, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the result of the period identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 May 2007, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other matters

At the date of this report, Rothsay Consulting Services Pty Ltd does not have any material interest in Buxton Resources either directly or indirectly, or in the outcome of the offer. Rothsay Chartered Accountants have been appointed auditors of Buxton Resources. Apart from this report, Rothsay Consulting Services Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Rothsay Consulting Services Pty Ltd has consented to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

ROTHSAY CONSULTING SERVICES PTY LTD



Graham R Swan FCA MAICD
Director

INDEPENDENT ACCOUNTANT'S REPORT

APPENDIX 1

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE

	Period ended 31 May 2007
Other income from ordinary activities	<u>162</u>
Expenses from ordinary activities	<u>(16,922)</u>
Net profit/(loss) before Tax	<u>(16,759)</u>

APPENDIX 2

CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Audited 31 May 2007	Pro-forma 31 May 2007
		\$A	\$A
Current Assets			
Cash Assets	3	304,190	4,904,190
Receivables		<u>203</u>	<u>203</u>
Total Current Assets		<u>304,393</u>	<u>4,904,393</u>
Non-Current Assets			
Equipment		<u>1,100</u>	<u>1,100</u>
Total Non-Current Assets		<u>1,100</u>	<u>1,100</u>
Current Liabilities			
Payables		<u>-</u>	<u>-</u>
Total Current Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>305,493</u>	<u>4,905,493</u>
Equity			
Contributed Equity	4	322,252	4,922,252
Retained earnings		<u>(16,759)</u>	<u>(16,759)</u>
Total Equity		<u>305,493</u>	<u>4,905,493</u>

To be read in conjunction with Appendix 3

INDEPENDENT ACCOUNTANT'S REPORT

APPENDIX 3

NOTES TO THE STATEMENTS OF FINANCIAL PERFORMANCE

AND STATEMENTS OF FINANCIAL POSITION

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The condensed Statements of Financial Performance and Financial Position have been prepared in accordance with Australian accounting standards, equivalent to International Financial Reporting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or non-deductible items, at the ruling tax rate. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences will be utilised.

(c) Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that are written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(d) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(e) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal.

(f) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

(g) Operating Revenue

Revenue represents bank interest received.

(h) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares options are shown in equity as a deduction from the proceeds.

2. Actual and Proposed Transactions to Arrive at Proforma Statement of Financial Position

Actual and proposed transactions adjusting the 31 May 2007 Audited Statement of Financial Position in the pro-forma Statement of Financial Position are as follows:

- a) the issue of 25,000,000 ordinary shares at 20 cents each pursuant to this Prospectus to raise \$5,000,000; and
- b) the payment of float costs estimated at \$400,000; and

	Note	Audited 31 May 2007	Pro-forma 31 May 2007
		\$A	\$A
3. Cash at bank			
The movements in cash at bank are as follows:			
At 31 May 2007		304,190	304,190
Issue of shares pursuant to Prospectus	(a)	-	5,000,000
Payment of float costs	(b)	-	(400,000)
		<u>304,190</u>	<u>4,904,190</u>
4. Contributed Equity			
(a) Share Capital			
Contributed equity as at 31 May 2007		322,252	322,252
Issue of shares pursuant to this prospectus	(a)	-	5,000,000
Payment of float costs	(b)	-	(400,000)
		<u>322,252</u>	<u>4,922,252</u>

5. Contingent Liabilities

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no material contingent liabilities.

6. Commitments

Based on discussions with the Directors the Company has exploration commitments of \$339,873 in the first year to maintain its exploration permits in good standing. Additional exploration expenditure is likely to occur on a discretionary basis.

The Company has additional commitments pursuant to contracts with the managing director and company secretary for administration services of \$165,000 per annum.

SECTION 7

SOLICITOR'S REPORT

23 July 2007
The Directors
Buxton Resources Limited
Level 3, 46 Ord Street
WEST PERTH WA 6005

W R I G H T
L E G A L

Dear Sirs

SOLICITOR'S REPORT

This report is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 23 July 2007 for issue by Buxton Resources Limited ACN 125 049 550 (**Company**) of 25,000,000 Shares at an issue price of 20 cents (\$0.20) per share to raise up to \$5,000,000.

Capitalised terms used in this Solicitor's Report have, unless otherwise defined, the meaning given in the Prospectus.

This Report relates to various mining tenements in Western Australia (**Tenements**) held by the Company listed in the Tenements Schedule (**Schedule**) at the end of this Report.

1 Searches

We have conducted the following searches and enquiries on 3 July 2007:

- (a) searches of the Tenements in the register maintained by the Department of Industry and Resources of Western Australia (**DoIR**) pursuant to the *Mining Act 1978 (WA)* (**Mining Act**);
- (b) quick appraisal searches of the Tenements obtained on-line from the Tengraph system maintained by the DoIR; and
- (c) searches of the native title application summaries maintained by the National Native Title Tribunal (**NNTT**) in relation to those native title claims which affect the Tenements.

Based on our searches and enquiries and subject to the statements set out below, we confirm at the date of the searches:

- (a) the details of the mining tenements referred to in this Report are accurate as to the status and registered holders of those tenements;
- (b) where title to a mining tenement has not been granted that fact is disclosed in the Schedule;
- (c) all applicable rents due in respect of the mining tenements under the Mining Act have been paid;
- (d) any caveats against the titles of the mining tenements have been disclosed in the Schedule; and
- (e) none of the mining tenements are subject to any unusual conditions of a material nature other than as disclosed in the Schedule.

2 Assumptions and qualifications

In preparing this Report:

- (a) we have relied on the information provided as a result of the searches which we have made or caused to be made of the register and the Tengraph system maintained by DoIR and the register maintained by the NNTT being accurate and complete;

- (b) where compliance with requirements necessary to maintain a Tenement in good standing or a possible claim in respect of a Tenement is not disclosed on the face of the searches referred to above, we express no opinion on that compliance or claim;
- (c) where any agreement, dealing or act (including disturbing the land for exploration or mining) in a Tenement requires an authorisation, approval, permission or consent (Authorisation) under the Mining Act, any regulations made thereunder or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;
- (d) where any dealing in a Tenement has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;
- (e) we express no opinion as to whether an application for a Tenement will ultimately be granted;
- (f) we have assumed that the Company has complied with all applicable provisions of the Mining Act and all other legislation relating to the Tenements;
- (g) we have not researched the underlying land tenure in respect of the Tenements to determine if native title rights have or have not been extinguished, or the extent of any extinguishment;
- (h) we have not undertaken the extensive research necessary to establish if native title claims may be made in the future over the area of the Tenements;
- (i) we have not researched the area of the Tenements to determine if there are any registered or unregistered sites of significance to aboriginal people within the area;
- (j) we are instructed by the Company that there are no complaints or legal proceedings of any nature commenced or threatened in respect of the Tenements; and
- (k) this Report relates solely to the laws of Western Australia at the date of this letter and we have made no investigations of the laws of any other jurisdiction.

3 Tenements

The Tenements comprise exploration licences granted or applied for under the Mining Act, prospecting licences applied for under the Mining Act and granted mining leases.

Significant amendments to the Mining Act (**Amendments**) came into operation on 10 and 11 February 2006.

The Amendments fundamentally affect the administration of mining tenements in Western Australia.

Those exploration licences listed in the Schedule granted or applied for prior to the Amendments have an initial term of 5 years from the date of grant, and may on application, be extended for two further periods of 1 or 2 years. Beyond those extensions, additional 1 year extensions are available under exceptional circumstances. At the expiry of the 3rd and 4th years of the term of an existing exploration licence, not less than half of the area of the exploration licences must be relinquished unless relief from that requirement is granted. The exploration licences applied for after 11 February 2006 will have initial terms of 5 years, however the Amendments provide for a greater number of potential extensions of the term if required. The Amendments also provide for a once only 40% compulsory reduction of the area at the end of the 5th year of the term of the exploration licence which may be deferred for one year. No exemption from the 40% reduction is permitted.

Ministerial consent is required under the Mining Act before any legal or equitable interest in an exploration licence can be created or dealt with during the first year of the term of the licence.

The Mining Act gives the holder of an exploration licence the right to apply for a mining lease (or mining leases) over the area the subject of the exploration licence. The grant of any mining lease is subject to compliance with the Mining Act. A mining lease may only be applied for over land where, at minimum, a mineral resource (not to a JORC standard) exists.

Prospecting licences are granted for a period of 4 years. The prospecting licences listed in the Schedule were all applied for after the Amendments and are, therefore, renewable for a further period of 4 years.

The holder of a prospecting licence may apply to convert the prospecting licence to a mining lease subject to compliance with the Mining Act. The ability to convert a prospecting licence to a mining lease will be limited by the requirement to, at minimum, demonstrate a mineral resource (not to JORC standard) exists.

Mining leases are granted for a period of 21 years, renewable for a further 21 years. Ministerial consent is required under the Mining Act prior to assigning an interest in a mining lease

The Schedule sets out a brief description of the Tenements and a summary of any encumbrances and material conditions.

In relation to the Schedule, we make the following comments:

- (a) references to the areas of the Tenements are taken from the details shown on the searches, it is not possible to verify those areas without conducting a survey which has not been undertaken;
- (b) exploration licences are measured by graticular blocks which, depending on where the licence is located, range in area from approximately 2.8 km² to 3.3km²; and
- (c) the rights of a holder of the Tenements is subject to compliance by that holder with the terms and conditions under the Mining Act and regulations made thereunder and the conditions specifically set out in the grant of the relevant Tenement.

4 Native Title

In *Mabo v Queensland (No 2)* (1992 175 CLR 1) the Australian common law recognised a form of native title giving Aboriginal people certain rights to their traditional lands. The rights recognised in native title may vary from place to place and from people to people but in each case will originate in customary rights and the Aboriginal group claiming the rights must have maintained a traditional connection with the land.

Native title rights may be extinguished voluntarily or by legislative or executive action inconsistent with the native title such as the grant of a freehold interest in land. Native title may also be partially extinguished by the grant of rights over native title land not wholly inconsistent with native title rights. Where native title has been partially extinguished, it will co-exist with other rights to the land.

The *Native Title Act 1993* (Cth) (**Native Title Act**) was enacted in response to the common law recognition of native title. Among other things, the Native Title Act:

- (a) provides a procedure for the recognition of native title claims in the Federal Court;
- (b) confirms the validity of titles granted by the Federal Government prior to the commencement of the Native Title Act and provides for the States and Territories to validate such titles; and
- (c) specifies the procedure for the grant of mining tenements which may affect native title rights.

The Native Title Act was amended in 1998 by the *Native Title Amendment Act 1998*. The amendments included the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. The Western Australian Parliament has enacted the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* which adopts the Native Title Act in Western Australia.

5 Native Title Claims

A person claiming to hold native title may lodge an application for determination of native title with the Federal Court. If the claim satisfies the registration test set out in the Native Title Act (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the NNTT. Registered claimants are afforded certain procedural rights, including the "right to negotiate". Claims which fail the Registration Test are, nevertheless heard by the Federal Court.

Claims affecting the Tenements have been noted in the Schedule.

The fact a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the claims are determined by the Federal Court.

6 Validity of Titles

Under the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995*, the State validated mining tenements granted prior to 1 January 1994.

Under the Native Title Act, and subject to certain exceptions, the grant of a mining tenement on or after 1 January 1994 that affects native title is a "future act". The State passed the *Titles Validation Amendment Act 1999* to confirm the validity of mining tenements granted between 1 January 1994 and 23 December 1996 provided that certain requirements of the Native Title Act were complied with.

Mining tenements granted after 23 December 1996 that affect native title will be valid only if the applicable processes of the Native Title Act have been complied with. We understand that such processes have been complied with but have not undertaken independent enquiries to confirm this is the case.

7 Future Grant of Mining Tenements

The Federal Court must determine that native title exists before the extent of the impact such grant may have on native title can be established. Few such determinations have been made, however the valid grant of a mining tenement can be achieved if the processes of the Native Title Act and applicable State procedures are complied with. In most instances (other than the grant of certain low impact or infrastructure titles) the primary procedure is the "right to negotiate" process. The right to negotiate process need not be complied with if an indigenous land use agreement (*ILUA*) is negotiated with the relevant Aboriginal body. In such cases, the procedure for the grant of a mining tenement will be set out in the ILUA.

The right to negotiate process involves the notification and advertising of a proposed grant and negotiation between the native title claimants, tenement applicant and the State. If agreement on the tenement application cannot be reached, the NNTT may determine the tenement application.

Some of the Tenements are applications. The State has implemented a procedure to facilitate the grant of exploration and prospecting licences outside of the right to negotiate procedure if the tenement applicant is willing to enter into a standard heritage protection agreement. The procedure is not available in all areas of the State. Applicants for exploration or prospecting licences that do not fall within the State's standard heritage protection agreement areas, and applicants for mining leases must comply with the right to negotiate process to achieve the grant of those tenements.

8 Aboriginal Heritage

Sites that may be of spiritual, cultural or heritage significance to Aboriginal persons may be protected by the *Aboriginal Heritage Act 1972 (Heritage Act)*.

The Heritage Act makes it an offence to alter or damage a site of significance to Aboriginal people. The Heritage Act provides for but does not compel the registration of such sites. It is an obligation of a party disturbing any area of the state to ensure it does not disturb such a site.

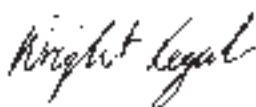
We have not undertaken any searches or investigations as to whether there are or may be any sites protected by the Heritage Act within the area of the Tenements. It is common practice for an explorer to undertake surveys of any area that may host such sites prior to carrying out any ground disturbing activity.

9 Consent

This report is given on the date set out at the commencement and unless specified to the contrary, speaks only to the laws in force on that date.

Wright Legal have consented to the inclusion of this Report in the Prospectus in the form and context in which it is included and have not withdrawn that consent before the lodgement of the Prospectus with ASIC.

Yours faithfully



Wright Legal

Tenements Schedule

Tenement	Holder/ Applicant	Shares Held	Status	Area (blocks)	Application Date	Grant Date	Expiry Date	Required Expenditure	Notes
Dempster Project									
E63/1114	Smit	100/100ths	Pending	56 blocks	18/01/2007	N/A	N/A	N/A	1, 8
E63/1120	Smit	100/100ths	Pending	49 blocks	31/01/2007	N/A	N/A	N/A	1, 8
E63/1121	Smit	100/100ths	Pending	42 blocks	31/01/2007	N/A	N/A	N/A	1, 8, 9
Western Shaw Project									
E45/2768	SBM	100/100ths	Live	40 blocks	01/08/2005	09/08/2006	08/08/2011	\$40,000	2, 3, 4, 10
Eelya Hill Project									
E20/659	MTZ	100/100ths	Pending	2 blocks	22/02/2007	N/A	N/A	N/A	1, 11
P20/2018	MTZ	100/100ths	Pending	25.54 ha	22/02/2007	N/A	N/A	N/A	11
Kanandah Project									
E28/1773	BRL	100/100ths	Pending	165 blocks	29/05/2007	N/A	N/A	N/A	
Warda Warra (Duketon) Project									
E59/1157	DCL	100/100ths	Live	64 blocks	24/03/2004	25/09/2006	24/09/2011	\$64,000	2, 12
P59/1853	DCL	100/100ths	Pending	175 ha	11/05/2007	N/A	N/A	N/A	12,
P59/1854	DCL	100/100ths	Pending	200 ha	11/05/2007	N/A	N/A	N/A	12
P59/1855	DCL	100/100ths	Pending	109 ha	11/05/2007	N/A	N/A	N/A	12
Warda Warra (AXG) Project									
E59/1119	AXG	100/100ths	Live	3 blocks	29/08/2002	29/11/2004	28/11/2009	\$15,000	12, 13
E59/1128	AXG	100/100ths	Live	11 blocks	04/03/2003	31/10/2005	30/10/2010	\$20,000	12, 13
E59/1130	AXG	100/100ths	Live	1 block	07/04/2003	08/03/2005	07/03/2010	\$10,000	12, 13
M59/50	AXG	1000/1000ths	Live	98 ha	24/12/1986	17/09/1987	16/09/2008	\$10,000	5, 6, 7, 12
M59/207	AXG	1000/1000ths	Live	996.57 ha	18/06/1990	17/12/1990	16/12/2011	\$99,700	5, 6, 7, 12
M59/350	AXG	1000/1000ths	Live	466.61 ha	20/06/1994	1/09/1994	31/08/2015	\$46,700	5, 6, 7, 12

Key

AXG	=	AXG Mining Limited ACN 092 304 964.
BRL	=	Buxton Resources Limited ACN 125 049 550.
DCL	=	Duketon Consolidated Limited ACN 103 340 496.
MTZ	=	Montezuma Mining Company Ltd ACN 119 711 929
Smit	=	Ronald Smit
SBM	=	South Boulder Mines Ltd ACN 097 904 302

Notes

Each granted tenement is subject to standard conditions including conditions requiring the holder to obtain the consent of the relevant officer of the Department of Industry and Resources (DoIR) prior to conducting any ground disturbing work and basic environmental and rehabilitation conditions for minor disturbances. The following specific conditions attach to tenements as indicated.

1. Application has been recommended for grant.
2. There is one or more geodetic survey stations on this tenement and no mining is permitted within 15 metres of such stations.
3. Consent to mine on Pastoral Research Station 21802 has been granted.
4. Absolute caveat lodged against 90/100ths shares by MTZ and recorded 8 September 2006.
5. Sale Agreement registered between WMC Resources Ltd and Equigold NL lodged 21 August 1998.
6. Caveats lodged by WMC Resources Ltd against 501/1000 shares in the name of Equigold NL recorded 21 August 1998.
7. Caveats lodged by WMC Resources Ltd against 499/1000 shares in the name of Western Reefs Ltd recorded 21 August 1998.
8. This tenement is subject to the Esperance Nyungars (WAD6097/98; WC96/64) registered native title claim.
9. This tenement is subject to the Ngadju (WAD6020/98; WC99/2) registered native title claim.
10. This tenement is subject to the Palyku (WAD6287/98; WC99/16) registered native title claim.
11. This tenement is subject to the Wutha (WAD6064/98; WC99/10) and Yugunga-Nya People (WAD6132/98; WC99/46) registered native title claims.
12. This tenement is subject to the Wajarri Yamatji (WAD6033/98; WC04/10) registered native title claim.

SECTION 8

ADDITIONAL INFORMATION

8.1 Registration

The Company was registered on 23 April 2007 as Buxton Resources Pty Ltd. The status of the Company was changed to a public company limited by shares on 29 June 2007 and the name of the Company changed to Buxton Resources Limited.

8.2 Company Tax Status and Financial Year

The Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

8.3 Legal Proceedings

The Directors are not aware of any litigation pending or threatened which may significantly affect the Company.

8.4 Material Contracts

Set out below is a brief summary of other contracts which have been entered into by the Company and which have been identified as material and relevant to potential investors.

(a) Advisor's Engagement Letter

On 31 May 2007 the Company entered into an agreement with LinQ Corporate Pty Limited to act as an advisor to the Offer in relation to the initial public offering and admission to the Australian stock exchange.

The engagement is for a minimum period of twelve months from the date of the agreement or such other period as agreed.

The Company shall pay to LinQ professional fees comprising a capital raising fee of 6% of the total amount raised as a result of the Offer, out of which LinQ will pay all fees to other brokers, intermediaries and investors as required or agreed with the Company.

(b) Letter Agreement – Dempster Project

The Company and Ronald Smit (**Smit**) are parties to a letter agreement dated 1 May 2007 (**Dempster Sale Agreement**). The Dempster Sale Agreement provides that Smit will sell a 90% interest in exploration licences 63/1114, 63/1120, 63/1121

(**Dempster Tenements**) to the Company in consideration for the Company issuing Smit with 2,000,000 Shares.

The Company has agreed to meet all costs of maintaining the Dempster Tenements and to sole fund exploration up to the completion of a bankable feasibility study or a decision to mine, whichever occurs first, whereupon Smit must either contribute to further expenditure in accordance with his remaining 10% interest or dilute. Dilution to 5% will result in Smit being deemed to have withdrawn and the Company owning 100% of the Dempster Tenements.

(c) Letter Agreement – Eelya Hill Project

The Company and Montezuma Mining Company Limited ACN 125 049 550 (Montezuma) are parties to a letter agreement dated 1 May 2007 (Eelya Hill Sale Agreement). The Eelya Hill Sale Agreement provides that Montezuma will sell a 90% interest in exploration licence 20/659 and prospecting licence 20/2018 (Eelya Hill Tenements) to the Company in consideration for the Company issuing Montezuma with 1,000,000 Shares.

The Company must meet all costs of maintaining the Eelya Hill Tenements and to sole fund exploration up to the completion of a bankable feasibility study or a decision to mine, whichever occurs first, whereupon Montezuma must either contribute to further expenditure in accordance with its remaining 10% interest or dilute. Dilution to 5% will result in Montezuma being deemed to have withdrawn and the Company owning 100% of the Eelya Hill Tenements.

The Company must meet all costs of maintaining the Eelya Hill Tenements from the date of the agreement.

(d) Letter Agreement – Western Shaw Project

The Company, Montezuma and South Boulder Mines Limited ACN 097 904 302 (South Boulder) are parties to a letter agreement dated 1 May 2007 (Western Shaw Sale Agreement). The Western Shaw Sale Agreement provides that Montezuma will sell a 90% interest in exploration

licences 45/2768 (Western Shaw Tenement) (excluding rights to tin, tantalum and lithium which are reserved to South Boulder) to the Company in consideration for the Company issuing Montezuma with 1,000,000 Shares.

Montezuma holds a 90% beneficial interest in the Western Shaw Tenement, the balance of 10% being held by South Boulder. Montezuma is entitled to have 90% legal interest in the Western Shaw transferred to it and currently holds a caveat securing that interest. The Company has agreed to meet all costs of maintaining the Western Shaw Tenement from the date of the agreement and sole fund exploration up to the completion of a bankable feasibility study or a decision to mine, whichever occurs first, whereupon Montezuma will have no further interest in the Western Shaw Tenement and South Boulder must either:

- (a) contribute to ongoing expenditure in accordance with its 10% interest; or
- (b) convert its interest to a 2% net smelter royalty.

(e) Letter Agreement – Warda Warra (Duketon) Project

The Company and Duketon Consolidated Ltd ACN 103 340 496 (Duketon) are parties to a letter agreement dated 1 May 2007 (Duketon Sale Agreement). The Duketon Sale Agreement provides that Duketon will sell a 90% interest in exploration licence 59/1157 and prospecting licences 59/1853, 59/1854 and 59/1855 (Warda Warra Tenements) to the Company in consideration for the Company issuing Duketon with 750,000 Shares.

The Company must meet all costs of maintaining the Warda Warra Tenements and sole fund exploration up to the completion of a bankable feasibility study or a decision to mine, whichever occurs first, whereupon Duketon must either contribute to further expenditure in accordance with its remaining 10% interest or dilute. Dilution to 5% will result in Duketon being deemed to have withdrawn and the Company owning 100% of the Warda Warra Tenements.

(f) Farmin Agreement – Warda Warra (AXG) Project

AXG Mining Limited ACN 103 782 378 (ASX) and the Company are parties to the Farmin Agreement for Exploration Joint Venture for Mineral Rights dated 23 July 2007 (Mineral Rights Agreement) under which the Company may earn up to an 80% interest in the nickel and base metals rights affecting exploration licences 59/1119, 59/1128, 59/1130 and mining leases 59/50, 59/207 and 59/350 (Mineral Rights Tenements). That interest will be subject to obligation to pay a royalty to BHP Billiton Nickel West Pty Ltd (formerly WMC

Resources Ltd). The Mineral Rights Agreement is conditional upon the Company receiving conditional approval to be admitted to the Official List.

To earn its 80% interest, the Company must spend:

- (a) \$200,000 during the first year following it receiving conditional approval to be admitted to the Official List (Effective Date); and
- (b) a further \$400,000 (total \$600,000) within 30 months of the Effective Date.

Upon the Company earning its 80% interest in the Mineral Rights Tenements, a joint venture will be formed for the purpose of exploration for and development of nickel and base metals. AXG's 20% participating interest in the joint venture will be free carried by the Company up to the joint venturers making a decision to mine or completing a bankable feasibility study. Upon a decision to mine being made, the joint venturers must contribute to mining in proportion to their respective participating interests, sell or assign their interest (whereupon pre-emptive rights will apply).

The Royalty payable to BHP Billiton Nickel West Pty Ltd applies only to mining leases 59/50, 59/207 and 59/350 and is equal to 2% of the spot price of nickel (or other base metals quoted on the London Metals Exchange) sold and 2% of the of the revenue of other metals produced.

(g) Executive Service Agreement – Ron Smit

On 25 June 2007 the Company entered into an Executive Service Agreement with Mr Ron Smit ("Service Agreement").

Under the Service Agreement, Mr Smit is engaged by the Company to provide services to the Company in the capacity of Managing Director and CEO.

The Managing Director is to be paid a salary of \$150,000, plus statutory superannuation.

The Agreement is effective from the date the Company is admitted to the Official List and continues until terminated by either Mr Smit or the Company. Mr Smit is entitled to a minimum notice period of six months from the Company and the Company is entitled to a minimum notice period of six months from Mr Smit.

(h) Engagement Letters – Non-executive Directors

Pursuant to letters between the Company and each Mr Ivey and Mr Smith, appointments to the Board as non-executive directors were confirmed.

In consideration for the services provided by Mr Ivey, the Company will pay him \$60,000 per annum (inclusive of statutory superannuation) from the date of Listing.

In consideration for the services provided by Mr Smith, the Company will pay him \$30,000 per annum (exclusive of statutory superannuation) from the date of Listing.

The non-executive Directors are also entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform services outside the scope of the ordinary duties of a director. They may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

(i) Letter of Engagement – IPO Co-ordinator

DWCorporate Pty Ltd has provided co-ordination services to the Company in relation to the Offer. DWCorporate will be paid fees for services rendered at normal commercial rates.

8.5 Rights Attaching to Shares

There is only one class of shares on issue in the Company being fully paid ordinary shares. The rights attaching to Shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the SCH Business Rules and the general law.

The following is a summary of the principal rights of the holders of Shares in the Company.

Voting

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a proportionate vote for every partly paid share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the chairperson of the meeting, by any five shareholders present in person or by proxy, attorney or representative, or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the shares of all those shareholders having the right to vote at that meeting.

Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends declared will be paid according to the amounts paid or credited as paid on the shares for which the dividends are paid.

Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of shares, other than a proper ASTC transfer, where permitted or required by the Listing Rules or ASTC Settlement Rules. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper ASTC transfer of shares or other securities.

Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

Liquidation Rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of shareholders divide the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's shareholders vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder Liability

As the shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration to the Constitution

The constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice

specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

If the Company is admitted to the Official List, then despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

8.6 OPTION TERMS AND CONDITIONS

Options have been granted on the following terms and conditions:

(a) Exercise Price

4,750,000 options have an exercise price of each Option of 20 cents and 4,000,000 options have an exercise price of each Option of 30 cents.

(b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

(c) Option Period

The Options are exercisable at any time on or prior to 5.00pm (WST) on 30 June 2012 by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company.

(d) Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares of the Company on issue at the date of allotment.

(e) Voting

A registered owner of an Option ("**Option Holder**") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

(f) Transfer of an Option

Options are transferable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by ASX in circumstances where the Company is listed on ASX.

(g) ASX Listing

Application for Official Quotation of the Options will not be made.

(h) Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(i) No Change of Options' Exercise Price or Number of Underlying Shares

There are no rights to change the exercise price of the Options or the number of underlying Shares.

8.7 Employee Share Option Plan

The Company has adopted the "Employee Share Option Plan of Buxton Resources Limited" ("**ESOP**") for the purpose of recognising the efforts of, and providing incentive to, employees of the Company. A summary of full terms and conditions of the ESOP are set out below:

- (a) the Options are to be issued to selected Eligible Persons for free;
- (b) Eligible Persons are any full-time or part-time employees of the Company, including Directors of the Company;
- (c) the allotment of Options to Eligible Persons is at the discretion of the Board of Directors;
- (d) the price payable on the exercise of the options granted under the Employee Share Option Plan will be determined by the Board and will not be less than the market value of Ordinary Shares at the date of grant;
- (e) the Options expire 5 years after the date on which they are granted;

- (f) the Options will be unlisted and not transferable unless the Directors in their absolute discretion agree to a transfer;
- (g) any adjustments to the entitlement of Eligible Persons will be made in accordance with the Listing Rules; and
- (h) the Incentive Plan may only be amended with the prior approval of the shareholders of the Company and in accordance with the Listing Rules.

8.8 Directors' Interests

Except as disclosed in this Prospectus, no Director or proposed Director holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer; and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director or proposed Director to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Shareholding Qualifications

The Directors are not required to hold any Shares under the constitution of the Company.

Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company:

Director	No. of Shares Held Directly	No. of 20 cent Options Held Directly	No of 30 cent Options Held Directly
Michael Ivey	-	-	-
Ron Smit	3,175,000	1,000,000	1,000,000
Graeme Smith	62,500	500,000	-
TOTAL	3,237,500	1,500,000	1,000,000

The Directors may subscribe for Shares under this Prospectus.

Remuneration of Directors

The constitution of the Company provides that the non-executive directors may collectively be paid remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum (currently \$300,000) as may be determined by the Directors prior to the first annual general meeting of the Company and subsequently, any increase in such sum shall be determined by the Company in a general meeting.

Mr Ron Smit

Commencing from the date the Company is admitted to the Official List, Mr Smit, will receive a salary of \$150,000 (plus statutory superannuation) per annum, in accordance with the terms of the Service Agreement. The Service Agreement is summarised in Section 8.4(d) to Section 8.4(g) of this Prospectus.

Other Interests

The Company has entered into Deeds of Insurance, Indemnity and Access with each of the Directors under which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors while acting as Director of the Company, to insure the Directors against certain risks to which the Directors are exposed to as a Director of the Company and to grant to the Director a right of access to certain records of the Company for a period up to 7 years after the Director ceases to be a Director.

8.9 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Ravensgate Mineral Industry Consultants have prepared the Independent Geologist's Report included in Section 4 of this Prospectus. In respect of this work of the Company will pay approximately \$7,500. Ravensgate Mineral Industry Consultants have not provided any other professional services to the Company since the incorporation of the Company.

Wright Legal have prepared the Solicitors Report included in Section 7 of this Prospectus. In respect of this work of the Company will pay approximately \$10,000. Wright Legal have also provided legal advice to the Company since incorporation.

Rothsay has prepared the Independent Accountant's Report included in Section 6 of this Prospectus. In respect of this work the Company will pay approximately \$8,000. Rothsay have not provided any other professional services to the Company since the incorporation of the Company.

Rothsay has been appointed as auditor to the Company for which they will be paid their usual commercial rates. Rothsay have not provided any other services to the Company since the incorporation of the Company.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

8.10 Consents

Each of the parties referred to in this Section 8.10:

- (a) does not make, or purport to make, any statement in this

Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and

- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Ravensgate Mineral Industry Consultants has given its written consent to the inclusion in this Prospectus of its Independent Geologist's Report, and all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Wright Legal has given its written consent to the inclusion in this Prospectus of its Solicitor's Report and all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Rothsay has given its written consent to the inclusion in this Prospectus of its Independent Accountant's Report and all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- a) Wright Legal as solicitor reporting on title;
- b) Rothsay as auditor to the Company;
- c) Rothsay as Independent Accountants;
- d) Ravensgate Mineral Industry Consultants as Independent Consulting Geologist;
- e) DWCorporate Pty Ltd as IPO Co-ordinator; and
- f) Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

8.11 Costs of the Issue

The total estimated costs of the Issue, including legal fees incurred, registration fees, underwriting fees, fees for other advisers, Prospectus design, printing and advertising expenses and other miscellaneous expenses, will be a maximum of approximately \$400,000 (exclusive of any goods and services tax which may be payable on that amount).

8.12 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of Shares and Options in response to an electronic application form, subject to compliance with certain provisions.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at www.buxtonresources.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept a Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

8.13 Privacy Disclosure Statement

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and

third party service providers, (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

8.14 Directors Responsibility Statement and Consent

The Directors state that they have made all reasonable enquiries and, on that basis, have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC or to the Directors knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated 23 July 2007



Signed for and on behalf of

BUXTON RESOURCES LIMITED
by Ron Smit

SECTION 9

DEFINED TERMS

The following definitions apply throughout this document unless the context requires otherwise.

Applicant(s)	Person(s) who submit valid Application Forms pursuant to this Prospectus.
Application	A valid application made to subscribe for a specified number of Shares pursuant to this Prospectus.
Application Form	The form so described relating to the Offer which accompanies this Prospectus, for completion by the public.
Application Monies	Monies that are payable in accordance with the terms of the Offer by an Applicant when submitting an application.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.
ASX	ASX Limited ACN 008 624 691.
Board	The board of Directors.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
The Company or Buxton Resources	Buxton Resources Limited ACN 125 049 550.
Corporations Act	Corporations Act 2001 (Cth).
Directors	The Directors of the Company.
Electronic Prospectus	An electronic version of the Prospectus.
Issue	The issue of Shares pursuant to this Prospectus.
Listing Rules	The official listing rules of ASX.
Offer	The invitation to the public made in this Prospectus to subscribe for Shares.
Official List	The official list of ASX.
Official Quotation	Quotation to the Official List.
Prospectus	This Prospectus and includes the Electronic Prospectus.
SCH Business Rules	Has the same meaning as in the Corporations Act.
Section	A section of this Prospectus.
Share(s)	Fully paid ordinary share(s) in the Company.
Shareholder	The registered holder of Shares.
Share Registry	Computershare Investor Services Pty Limited.
Tax Act	Whichever of the following is applicable at the relevant time in the context of the Employee Share Option Plan of Buxton Resources: (a) the Income Tax Assessment Act 1936 (Cth);; or (b) the Income Tax Assessment Act 1997 (Cth).
WST	Western Standard Time, Perth, Western Australia.

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Buxton Resources Limited ACN 125 049 550

APPLICATION FORM

Please read all instructions on reverse of this form

Share Registrars use only

Broker reference Stamp only

Broker code

Adviser Code

A Number of Shares applied for
(minimum 10,000 Shares and then multiples of 2,500 Shares).

B Total amount payable
cheque(s) to equal this amount

at \$0.20 per Share = A\$

you may be allocated all of the Shares above or a lesser number.

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

E Full postal address

Number/street

Suburb/town

State/postcode

G **CHESS HIN** (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to **"Buxton Resources Limited - Share Account"**

Drawer

Cheque number

BSB number

Account number

Total amount of cheque

I Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

- this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 23 July 2007 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

D Tax File Number(s)
Or exemption category

Applicant 1/company

joint applicant 2/trust

joint applicant 3/trust

F Contact Details

Contact name

Contact daytime telephone number

Contact email address

Guide to the Application Form

This Application Form relates to the Offer of up to 25,000,000 Shares in Buxton Resources Limited ACN 125 049 550 at \$0.20 per Share pursuant to the Prospectus dated 23 July 2007. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the sum of \$0.20.
- C** Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Application in respect of securities allotted.
If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relevant section of the Prospectus.
- H** Please complete cheque details as requested:
Make your cheque payable to **"Buxton Resources Limited– Share Account"** in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I** Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith ABC P/L
Company Use company title, not abbreviations	ABC Pty Ltd	ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

By Post to:

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6872

Or delivered to:

Computershare Investor Services Pty Limited
Level 2 45 St George's Terrace
PERTH WA 6000

Public Application Forms must be received no later than 5 pm WST time on 24 August 2007.

You should read the Prospectus dated 23 July 2007 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to the Application Form

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Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

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- C** Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
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Correct form of Registrable Title

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Company Use company title, not abbreviations	ABC Pty Ltd	ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

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Public Application Forms must be received no later than 5 pm WST time on 24 August 2007.



BUXTON

RESOURCES LIMITED

PO Box 356 North Perth WA 6906

info@buxtonresources.com.au

www.buxtonresources.com.au