BUXTON RESOURCES LIMITED

Quarterly Report

For the three months ending September 2008

Mineral Exploration Highlights for the Quarter

Dempster, Esperance - Gold

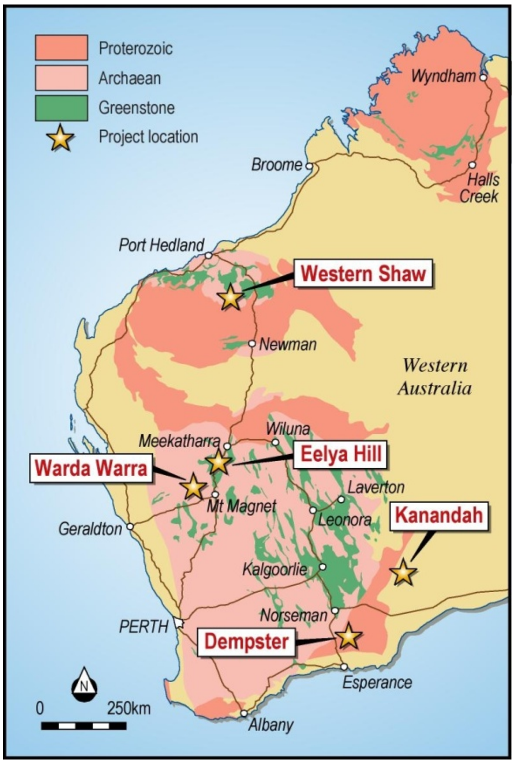
- Further assay results were received for calcrete samples collected last quarter. Geochemical gold anomalies were confirmed and some coherent trends are starting to emerge. Drilling is scheduled for early 2009.

Kanandah, Eucla Basin – Lead & Zinc

- Subsequent to the quarter end, four geophysical targets were drilled. No visible mineralization was observed apart from some localised pyrite development (up to 5%). Assay results are expected in six weeks.

Warda Warra, Murchison - Nickel

- Following a review of all project data a decision was made to withdraw from the Farmin Agreement and surrender all other tenements.



Corporate Highlights for the Quarter

Cash at Bank at Quarter End was $2.67 million

ASX Code: BUX 32.04 million shares 8.75 unlisted options

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

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Mineral Exploration Activities

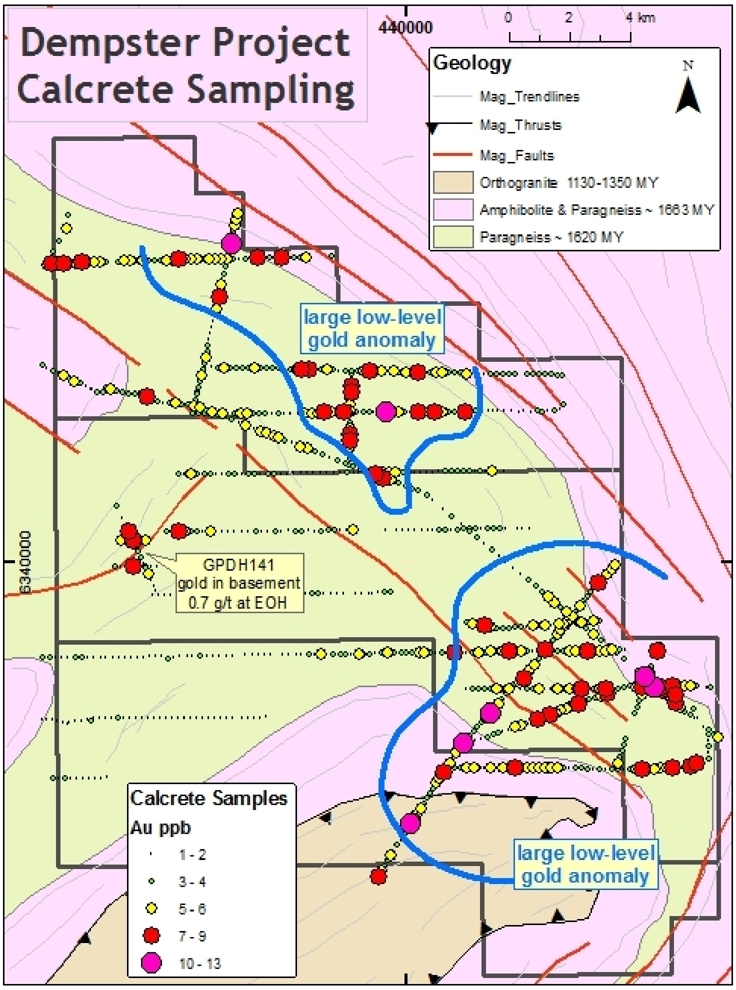
Dempster Project, Fraser Orogen WA (90% Buxton)
E63/1114, E63/1120 – 1121

Calcrete Sampling

A further 340 samples were collected bringing the total number of calcrete samples collected on the project to 890. Results are consistent with earlier sampling and confirm the presence of large low-level gold anomalies. Some anomalous trends are starting to emerge and a third phase of sampling will commence shortly to further define them.

Air-core drilling of selected target zones is scheduled for early 2009.

The Dempster Project is 90 km north-northeast of Esperance and is being evaluated for gold mineralisation similar to the 4 million ounce Tropicana-Havana gold deposit.

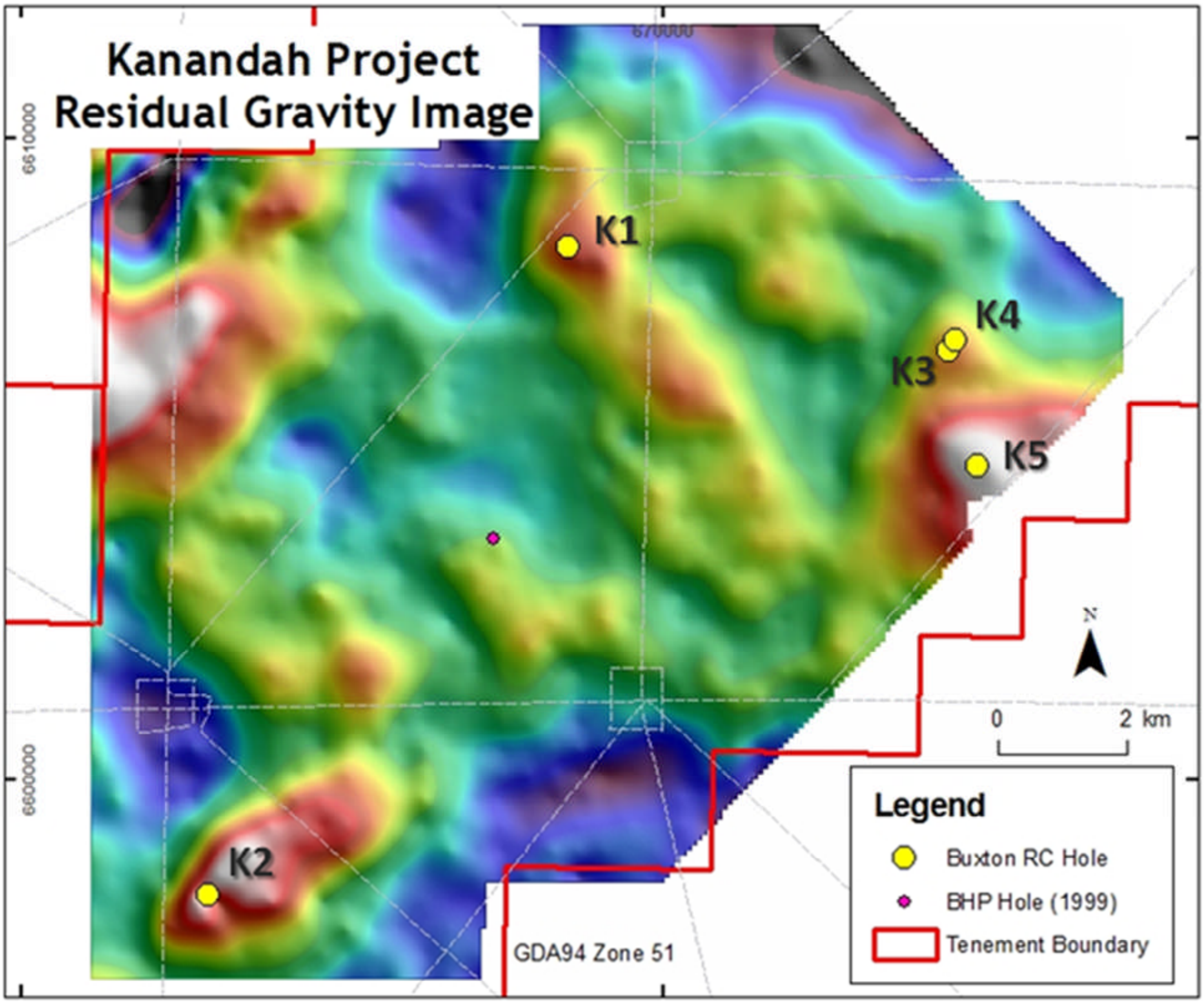


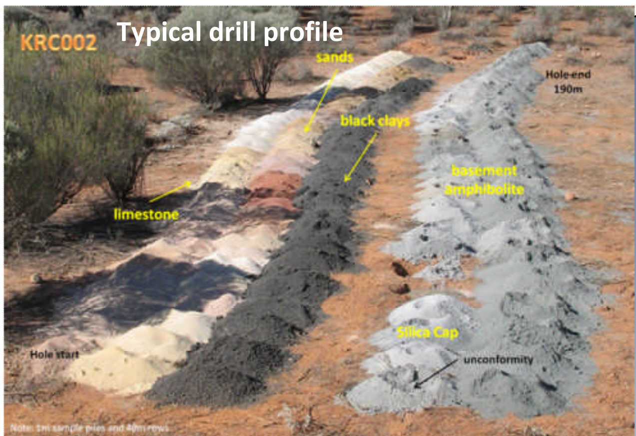
Kanandah Base Metal Project, Eucla Basin WA (100% Buxton)
E28/1773, E28/1857A

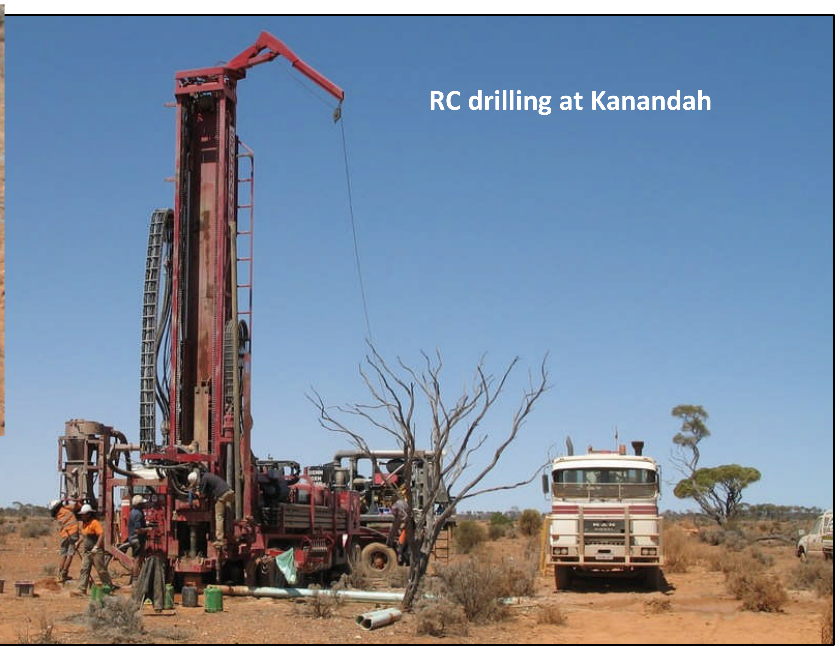
Subsequent to the quarter end, five holes were drilled for a total of 944 m to test geophysical targets.

Holes intersected high grade metamorphic rocks (amphibolites and mafic granulites) beneath Eucla Basin sedimentary rocks. No visible mineralisation was observed apart from a few zones of pyrite development (locally up to 5%) in KRC002 and widespread magnetite development in KRC003. Sample assay results are expected in six weeks.

The Project is 300 km east of Kalgoorlie in the Eucla Basin, Western Australia and is considered to have the potential to host base metal mineralization.


Kanandah Project
Residual Gravity Image
6610000
6600000
K1
K2
K3
K4
K5
N
0
2 km
Legend
Buxton RC Hole
BHP Hole (1999)
Tenement Boundary
GDA94 Zone 51


KRC002
Typical drill profile
sands
black clays
limestone
basement amphibolite
Hole end 190m
Hole start
Silica Cap
unconformity


RC drilling at Kanandah

Warda Warra Project, Yilgarn Block WA

Following a review of all project data a decision was made to exit the project. Buxton has withdrawn from the Farmin Agreement with AXG Mining Limited and has surrendered its other tenements in the district.

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

No field activities.

CORPORATE

There were no changes to the capital structure of Buxton Resources Limited during the quarter. The Company has 32,040,010 fully paid shares on issue and 8,750,000 unlisted options (4,750,000 exercisable at 20 cents each and 4,000,000 exercisable at 30 cents each; all expiring on 30 June 2012). The top twenty shareholders own 63.8% of the issued shares. Cash reserves at the end of quarter were $2.67 million.

The Annual General Meeting of Buxton will be held on 12 November at 11:00 am at the Celtic Club, West Perth. The Annual Report that was released on 15 October 2008 can be viewed at the Company's web site at www.buxtonresources.com.au

For further information on Buxton Resources Limited please contact:

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

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Buxton Resources Limited

ABN	Quarter ended ("current quarter")
86 125 049 550	30 September 2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(116)	(116)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(113)	(113)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	66	66
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(163)	(163)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(163)	(163)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(163)	(163)
	Cash flows related to financing activities		
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(163)	(163)
1.20	Cash at beginning of quarter/year to date	2,835	2,835
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,672	2,672

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

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	64
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

Non-cash financing and investing activities

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

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	300
4.2	Development	-
	Total	**300**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	131	108
5.2	Deposits at call	2,541	2,727
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,672	2,835

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E59/1157 P59/1853 P59/1854 P59/1855	Surrender Surrender Surrender Surrender	} } 90% } }	} } 0% } }
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	32,040,010	24,073,760		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			Exercise price	Expiry date
		4,750,000	-	20 cents	30 June 2012
		4,000,000	-	30 cents	30 June 2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: (Company secretary) Date: **27 October 2008**

Print name: **Graeme Smith**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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