BUXTON RESOURCES LIMITED

ABN 86 125 049 550

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2008

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2008 and any public announcements made by Buxton Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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DIRECTORS' REPORT

Your directors are pleased to present their report on Buxton Resources Limited for the half-year ended 31 December 2008.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Michael Ivey

Ron Smit

Graeme Smith

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2008	
	Revenues	**Results**
	$	**$**
Buxton Resources Limited	86,942	(442,514)

Buxton has conducted drilling at its Kanandah Project and collected numerous surface samples from its Dempster Project which are currently being reviewed. Buxton has also withdrawn from the Warda Warra Farmin Agreement during the half year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of directors.

Ron Smit
Managing Director
Perth, 25 February 2009

ROTHSAY

Level 18, 6 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

The Directors
Buxton Resources Ltd
Unit 1, 260 Newcastle St
Northbridge WA 6003

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2008 interim financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

G R Swan

Graham R Swan (Lead auditor)

Rothsay

Rothsay Chartered Accountants

Dated 25 FEB 2009

INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half-year	
	2008	2007
	$	$
REVENUE FROM CONTINUING OPERATIONS	**86,942**	60,923
EXPENDITURE		
Depreciation expense	**(8,546)**	(2,368)
Salaries and employee benefits expense	**(62,320)**	(32,661)
Exploration expenses	**(337,592)**	(202,821)
Consultancy expenses	**(20,000)**	(23,018)
Corporate expenses	**(53,790)**	(71,750)
Administration expenses	**(47,208)**	(42,070)
LOSS BEFORE INCOME TAX	**(442,514)**	(313,765)
Income tax benefit / (expense)	**-**	-
LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF BUXTON RESOURCES LIMITED	**(442,514)**	(313,765)
Basic and diluted loss per share (cents)	**(1.4)**	(1.5)

The above income statement should be read in conjunction with the accompanying notes.

BUXTON RESOURCES LIMITED

31 DECEMBER 2008

BALANCE SHEET
AS AT 31 DECEMBER 2008

	31 December 2008 $	30 June 2008 $
CURRENT ASSETS		
Cash and cash equivalents	**2,423,612**	2,835,142
Trade and other receivables	**23,885**	48,380
TOTAL CURRENT ASSETS	**2,447,497**	2,883,522
NON-CURRENT ASSETS		
Plant and equipment	**34,067**	42,613
TOTAL NON-CURRENT ASSSETS	**34,067**	42,613
TOTAL ASSETS	**2,481,564**	2,926,135
CURRENT LIABILITIES		
Trade and other payables	**58,984**	61,041
TOTAL CURRENT LIABILITIES	**58,984**	61,041
TOTAL LIABILITIES	**58,984**	61,041
NET ASSETS	**2,422,580**	2,865,094
EQUITY		
Contributed equity	**3,652,447**	3,652,447
Accumulated losses	**(1,229,867)**	(787,353)
TOTAL EQUITY	**2,422,580**	2,865,094

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half-year	
	2008	2007
	$	$
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	**2,865,094**	274,797
LOSS FOR THE HALF-YEAR	**(442,514)**	(313,765)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF BUXTON RESOURCES LIMITED	**(442,514)**	(313,765)
Transactions with equity holders in their capacity as equity holders:		
Shares issued during the half-year	**-**	3,708,000
Transaction costs	**-**	(388,595)
	-	3,319,405
TOTAL EQUITY AT THE END OF THE HALF-YEAR	**2,422,580**	3,280,437

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half-year	
	2008	**2007**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	**(321,004)**	(181,419)
Payments to suppliers and employees	**(193,093)**	(207,221)
Interest received	**102,567**	60,923
Net cash outflow from operating activities	**(411,530)**	(327,717)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	**-**	(19,792)
Payment for security deposit	**-**	(16,632)
Net cash outflow from investing activities	**-**	(36,424)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue transaction costs	**-**	(378,658)
Proceeds from issue of shares	**-**	3,708,000
Net cash inflow from financing activities	**-**	3,329,342
Net increase/(decrease) in cash and cash equivalents	**(411,530)**	2,965,201
Cash and cash equivalents at the beginning of the half-year	**2,835,142**	281,521
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	**2,423,612**	3,246,722

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Buxton Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2: SEGMENT INFORMATION

The Company operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: CHANGES IN EQUITY SECURITIES ON ISSUE

	2008 Shares	2008 $	2007 Shares	2007 $
Issues of ordinary shares during the half-year				
Issued for cash at Initial Public Offering	-	-	18,540,000	3,708,000
Capital raising costs	-	-	-	(338,595)
	-	-	18,540,000	3,319,405

NOTE 4: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2008, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

NOTE 6 EXPLORATION COMMITMENTS

The Company has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments totalling $164,000 will be required in the next 12 months.

BUXTON RESOURCES LIMITED

31 DECEMBER 2008

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 5 to 9 are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Buxton Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Ron Smit
Managing Director
Perth 25 February 2009

ROTHSAY

Level 18, 6 O'Connell Street, Sydney NSW 2000 G.P.O. Box 2759, Sydney NSW 2001
Phone 8815 5400 Facsimile 8815 5401 E-mail swan2000@bigpond.com

Independent Review Report to the Members of Buxton Resources Ltd

The financial report and directors' responsibility
The interim financial report comprises the balance sheet, income statement, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Buxton Resources Ltd for the half-year ended 31 December 2008.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Buxton Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence
In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Buxton Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the company as at 31 December 2008 and of its performance for the half-year ended on that date; and

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay

Graham R Swan
Partner

Dated 25 FEB 2009

Chartered Accountants