BUXTON RESOURCES LIMITED

ABN 86 125 049 550

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2010

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 2010 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*.

BUXTON RESOURCES LIMITED
31 DECEMBER 2010

CORPORATE INFORMATION

Buxton Resources Ltd
ABN; 86 125 049 550

Directors
Anthony Maslin
Seamus Cornelius
Sam Wright

Auditors
Rothsay Consulting Services Pty Ltd
GPO Box 2759
Sydney NSW 2001

Joint Company Secretaries
Sam Wright
Jodi Haslinger

Registered office and principal place of business
50 Derby Road
Subiaco WA 6008

PO Box 9028
Subiaco WA 6008

Ph; 08 9380 6063
Fax; 08 9381 4056
Web; www.buxtonresources.com.au

Share Register
Computershare Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

Home Exchange
ASX Limited
ASX Code; BUX, BUXO

BUXTON RESOURCES LIMITED

Contents

BUXTON RESOURCES LIMITED

DIRECTORS' REPORT

Your directors are pleased to present their report on Buxton Resources Limited for the half-year ended 31 December 2010.

DIRECTORS

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

Michael Ivey (resigned 11/11/10)

Ronald Smit (resigned 31/12/10)

Graeme Smith (resigned 29/11/10)

Anthony Maslin (appointed 11/11/10)

Seamus Cornelius (appointed 30/11/10)

Sam Wright (appointed 31/12/10)

REVIEW AND RESULTS OF OPERATIONS

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

The Company recorded a loss for the period ended 31 December 2010 of $493,748 (2009; $304,510).

At 31 December 2010 the Company had cash of $1,405,021 (2009; $1,864,371).

RC drilling intersected significant high grade, wide zones of magnetite at Zanthus. Subsequent Davis Tube testing reported excellent recoveries and concentrate head grade ranging from 65.2% to 68.1% Fe. Follow up drilling is planned for the current period.

The board underwent significant changes during the period, with Anthony Maslin replacing Ronald Smit as Managing Director, Seamus Cornelius replacing Michael Ivey as Chairman and Graeme Smith also retiring from the board. Sam Wright joined the board in place of Ronald Smit.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date the company completed a non-renounceable entitlement issue of (6,801,903) shares at an issue price of 22c per share with a free option for every two shares subscribed raising $1,762,200 before issue costs.

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 the following page.

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

Anthony Maslin
Managing Director
Perth, 15th March 2011

ROTHSAY

96 Parry Street, Perth WA 6000 P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9227 0552 www.rothsay.com.au

The Directors
Buxton Resources Limited
50 Derby Rd
Subiaco WA 6008

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 review of the 31 December 2010 interim financial statements; and

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

Frank Vrachas (Lead auditor)

Rothsay Chartered Accountants

Dated 15 March 2011

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-year 2010 $	Half-year 2009 $
REVENUE FROM CONTINUING OPERATIONS		
Interest	42,917	35,704
Other income	-	18,520
EXPENDITURE		
Depreciation expense	(3,878)	(5,346)
Salaries and employee benefits expense	(36,559)	(119,857)
Exploration expenses	(321,556)	(137,739)
Corporate expenses	(126,571)	(50,762)
Administration expenses	(48,101)	(45,030)
LOSS BEFORE INCOME TAX	(493,748)	(304,510)
Income tax benefit / (expense)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF BUXTON RESOURCES LIMITED	(493,748)	(304,510)
Basic and diluted loss per share (cents)	(1.5)	(1.0)

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	31 December 2010 $	30 June 2010 $
CURRENT ASSETS		
Cash and cash equivalents	**1,405,021**	1,864,371
Trade and other receivables	**31,715**	32,676
TOTAL CURRENT ASSETS	**1,436,736**	1,897,047
NON-CURRENT ASSETS		
Plant and equipment	**21,208**	15,995
TOTAL NON-CURRENT ASSSETS	**21,208**	15,995
TOTAL ASSETS	**1,457,944**	1,913,042
CURRENT LIABILITIES		
Trade and other payables	**104,055**	67,263
Provisions	**1,858**	
TOTAL CURRENT LIABILITIES	**105,913**	67,263
TOTAL LIABILITIES	**105,913**	67,263
NET ASSETS	**1,352,031**	1,845,779
EQUITY		
Contributed equity	**3,652,447**	3,652,447
Accumulated losses	**(2,300,416)**	(1,806,668)
TOTAL EQUITY	**1,352,031**	1,845,779

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED31 DECEMBER 2010

	Contributed Equity	Accumulated Losses	Total
	$	$	$
BALANCE AT 1 JULY 2009	3,652,447	(1,161,339)	2,491,108
Total comprehensive income for the period	-	(304,510)	(304,510)
BALANCE AT 31 DECEMBER 2009	3,652,447	(1,465,849)	2,186,598
BALANCE AT 1 JULY 2010	**3,652,447**	**(1,806,668)**	**1,845,779**
Total comprehensive income for the period	**-**	**(493,748)**	**(493,748)**
BALANCE AT 31 DECEMBER 2010	**3,652,447**	**(2,300,416)**	**1,352,031**

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

BUXTON RESOURCES LIMITED

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-year	
	2010	**2009**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(283,092)	(142,853)
Payments to suppliers and employees	(216,443)	(208,676)
Interest received	49,265	28,966
Net cash outflow from operating activities	(450,259)	(322,563)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(9,091)	(1,090)
Proceeds from sale of financial assets	-	204,559
Net cash outflow from investing activities	(9,091)	203,469
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflow from financing activities	-	-
Net decrease in cash and cash equivalents	(459,350)	(119,094)
Cash and cash equivalents at the beginning of the half-year	1,864,371	2,307,101
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	1,405,021	2,188,007

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

BUXTON RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 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 2010 and any public announcements made by Buxton Resources Limited during the interim 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, except as set out below.

Adoption of new and revised Accounting Standards

The Company has reviewed all new standards and interpretations that have been issued but are not yet effective for the half year ended 31st December 2010. The Company has decided against early adoption of any new Standards and Interpretations except amendments resulting from AASB 2009-5. As a result of this review the Directors have determined that there is no impact, material or otherwise of the new and revised standards and interpretations on its business and, therefore, no change necessary to group accounting policies.

Business combinations

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Company's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT (continued)

If the Company recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Company's net profit after tax.

The changes were implemented prospectively from 1 July 2010. There has been no impact on the current period as there were no acquisitions by the Company during the period.

Segment reporting

The Company has applied AASB 8 *Operating Segments* from 1 July 2010. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. There has been no change to the reportable segments required to meet the new standard.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the full Board of Directors.

NOTE 2: SEGMENT INFORMATION

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

NOTE 3: CONTINGENCIES

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

NOTE 4: SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date the company completed a non-renounceable entitlement issue of (6,801,903) shares at an issue price of 22c per share with free option for every two shares subscribed raising $1,762,200 before issue costs.

NOTE 5: 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 $478,000 will be required in the next 12 months.

BUXTON RESOURCES LIMITED

31 DECEMBER 2010

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out in this report 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 2010 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.

Anthony Maslin
Managing Director
Perth,15th March 2011

ROTHSAY

96 Parry Street, Perth WA 6000 P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9227 0552 www.rothsay.com.au

Independent Review Report to the Members of Buxton Resources Ltd

The financial report and directors' responsibility
The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Buxton Resources Ltd for the period ended 31 December 2010.

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 2010 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 2010 and of its performance for the period ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Frank Vrachas
Partner

Dated 15 March 2011