
BUXTON RESOURCES LIMITED

ABN 86 125 049 550

NOTICE OF GENERAL MEETING

TIME: 12.00pm(WST)

DATE: Thursday 26th May 2011

PLACE: RSM Bird Cameron
8 St Georges Terrace
Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9380 6063.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	11
Proxy Form	13

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12pm (WST) on Thursday 26th May 2011 at:

RSM Bird Cameron
8 St Georges Terrace
Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Buxton Resources Limited, PO Box 9028, Subiaco, Western Australia 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9381 4056,

so that it is received not later than 12pm (WST) on Tuesday 24th May 2011.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 12pm (WST) on Thursday 26th May 2011 at RSM Bird Cameron, 8 St Georges Terrace Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00 pm (EST) on 24th May.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 3,750,000 options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – ISSUE OF PERFORMANCE RIGHTS TO MR ANTHONY MASLIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.14 and section 208 of the Corporations Act, the shareholders approve the issue of up to 1,500,000 Performance Rights to Mr Anthony Maslin, a director of the company, or his nominee(s) on the terms and conditions described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any director or their nominee and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO MR SEAMUS CORNELIUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.14 and section 208 of the Corporations Act, the shareholders approve the issue of up to 500,000 Performance Rights to Mr Seamus Cornelius, a director of the company, or his nominee(s) on the terms and conditions described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any director or their nominee and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO MR SAM WRIGHT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.14 and section 208 of the Corporations Act, the shareholders approve the issue of up to 250,000 Performance Rights to Mr Sam Wright, a director of the company, or his nominee(s) on the terms and conditions described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any director or their nominee and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

DATED: 31 MARCH 2011
BY ORDER OF THE BOARD

JODI HASLINGER
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 12 pm (WST) on Thursday 26th May 2011 at RSM Bird Cameron 8 St Georges Terrace, Perth Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

1.1 General

On 21 January 2011 the Company issued 3,750,000 incentive options to non-related parties being promoters, consultants or management.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those options

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification:

- (a) 3,750,000 options were allotted;
- (b) the issue price was nil;
- (c) the options are unlisted with an exercise price of 35 cents and expiry date 31/01/2016. The full terms are set out in Annexure 1;
- (d) the options were allotted to the following persons:
 - (1) Dongarra Limited – 2,000,000 options
 - (2) Cho Yongsu - 200,000 options;
 - (3) Justin Brown - 200,000 options;
 - (4) Michael Giles – 200,000 options;

- (5) Klaas Pool - 200,000 options;
 - (6) Paul Watts - 200,000 options;
 - (7) Dominic Sum – 100,000 options;
 - (8) Jodi Haslinger – 150,000 options;
 - (9) ME Capital – 100,000 options;
 - (10) David Hughes - 200,000 options;
 - (11) Trevor Saul – 100,000 options;
 - (12) Hannes Huster - 100,000 options; and
- (e) there were no funds raised from the issue of the options.
-

RESOLUTIONS 2 - 4: ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

Background

Resolutions 2 to 4 seek Shareholder approval for the issue of Performance Rights to Directors pursuant to Chapter 2E of the Corporations Act and ASX Listing Rule 10.14. Chapter 2E of the Corporations Act prohibits a public company from giving financial benefits to related parties of the Company, subject to certain exceptions. One of the exceptions to this prohibition is where the Company first obtains the approval of its shareholders in general meeting. A "related party" for the purposes of the *Corporations Act* includes a director. A "financial benefit" for the purposes of the *Corporations Act* includes the issue of securities.

ASX Listing Rule 10.14 requires shareholder approval before securities in the Company are issued to related parties under an employee incentive scheme. A "related party" for the purposes of Listing Rule 10.14 includes a director of the Company. Performance Rights are securities for the purposes of the ASX Listing Rules.

Shareholder approval is sought to issue Performance Rights to the 3 Directors under the BUX Incentive Plan ("Plan"). The issue of Performance Rights (and any subsequent Share upon satisfaction of performance hurdles) is seen as a cost effective way of providing the directors a tangible incentive to enhance the performance of the Company.

Information required by the Corporations Act

In accordance with the requirements of Chapter 2E and in particular, Section 219 of the *Corporations Act*, the following additional information is provided to allow Shareholders to assess the proposed issue of Performance Rights to the Directors.

The Names of the Related Parties

The related parties to whom the Resolutions would permit a financial benefit to be given are Mr Anthony Maslin, Mr Seamus Cornelius and Mr Sam Wright.

The Nature of the Financial Benefit

The Company proposes to issue Performance Rights to each of Mr Anthony Maslin, Mr Seamus Cornelius and Mr Sam Wright or their respective nominees which Performance

Rights will result in the issue of Shares in certain circumstances. The terms of the Performance Rights are set out in Annexure 2.

The recipients will not be required to pay anything for the issue of the Performance Rights. The maximum number of Performance Rights proposed to be issued as follows:

Mr Anthony Maslin -	1,500,000
Mr Seamus Cornelius –	500,000
Mr Sam Wright –	250,000

The Performance Rights have been valued on behalf of the Company using the binomial option pricing model, where each Performance Right is a "barrier up and in share option" which vests once the "barrier price" of 35 cents is met. For the purposes of the valuation the following assumptions were used:

- a) Underlying Share price of 25 cents (being the Share price at 15 March 2011);
- b) A nil conversion or exercise price;
- c) Total period of 3 years after the meeting for the performance hurdles to be met;
- d) An estimated volatility factor of 100% reflective of future volatility of the Shares of the Company over the 3 year life of the rights;
- e) A risk free rate of 4.96% being the Commonwealth Government 3 year bond rate at 14 March 2011;
- f) A nil dividend yield; and
- g) A barrier price of 35 cents.

Based on the above assumptions, independent accountants RSM Bird Cameron Corporate Pty Ltd have determined that the value of each Performance Right is 23.95 cents. Therefore, the total value of the benefit to be issued to the Directors is as follows:

- (1) Mr Maslin: \$359,250 (1,500,000 Performance Rights)
- (2) Mr Cornelius: \$119,750 (500,000 Performance Rights)
- (3) Mr Wright: \$59,875 (250,000 Performance Rights)

Reasons for Giving the Benefit

The Board believes that the issue of Performance Rights in the Company under the Plan is the most appropriate way to add incentive to Directors' performance, without additional cash outlay by the Company. The Performance Rights provide a means by which the Company can supplement the existing cash remuneration with incentive to its Directors thereby preserving the Company's cash resources for application in other areas. In the Company's current stage of development it is considered appropriate that the Company provide the ability to issue these Performance Rights (and any subsequent Shares) as a cost effective and efficient way of providing an incentive to the Directors.

Directors' Recommendation

The 3 Directors who receive Performance Rights if the Resolutions are passed do not make any recommendation in relation to the Resolutions because of their interest in the Resolutions.

Directors Interest in the Proposed Resolutions

Mr Anthony Maslin, Mr Seamus Cornelius and Mr Sam Wright have an interest in the outcome of Resolutions 2, 3 and 4 as Performance Rights will be issued to each of them under the Plan if the Resolutions are passed.

All other information required to decide whether or not to approve the Resolution

♦ *Total remuneration package*

The remuneration package of the Directors in addition to the proposed grant of Shares is as follows: Mr Anthony Maslin - \$150,000 per annum, Mr Seamus Cornelius - \$50,000 per annum and Mr Sam Wright - \$30,000 (non-executive director) and \$36,000 (Company Secretary) per annum.

♦ *Related Party's interest in the Company and Dilution*

Directors' Existing Interests		
Name of Director	No of shares held	No of options held
Anthony Maslin	392,897	130,198
Seamus Cornelius	930,397	183,948
Sam Wright	113,638	56,819

The table above sets out each Director's interest in Shares of the Company as at the date of this Notice of Meeting.

The passing of Resolutions 2, 3 and 4 would have the effect of issuing up to 2,250,000 Performance Rights.

If Performance Rights vest, Shares will issue which will have the effect of diluting the shareholding of existing Shareholders. If all the 2,250,000 Performance Rights vest so that 2,250,000 Shares are issued, the effect would be to dilute the shareholding of existing Shareholders by approximately 5.32% based on the current number of Shares of 40,050,012.

♦ *Cost to the Company*

There are no cash costs for the Company or benefits foregone by the Company resulting from the issue of the Performance Rights pursuant to Resolutions 2, 3 and 4.

♦ *Historical share price information*

Shares will be issued upon the vesting of Performance Rights. The trading price of Shares for the 12 months prior to the date this document was lodged with ASIC is as follows:

	Price	Date
Highest	37 cents	12/1/11
Lowest	7 cents	10/2/10
Last	27.5 cents	18/3/11

♦ *No other information*

Apart from the information set out in this Explanatory Statement there is no other information that is known to the Company or any of its Directors that is reasonably required by Shareholders to decide whether or not it is in the Company's interest to pass Resolutions 2, 3 and 4.

Information Required by ASX Listing Rules

For the purposes of ASX Listing Rule 10.14 and 10.15A the following information is provided:

- ♦ Up to 1,500,000 Performance Rights may be issued by the Company to Mr Anthony Maslin or his nominee. Up to 500,000 Performance Rights may be issued by the Company to Mr Seamus Cornelius or his nominee. Up to 250,000 Performance Rights may be issued by the Company to Mr Sam Wright or his nominee. The terms of the Performance Rights are set out in Annexure 2.
- ♦ The maximum aggregate number of Performance Rights that may to be issued pursuant to these Resolutions is 2,250,000.
- ♦ The Performance Rights and any resultant Shares will be issued no later than 3 years from the date of the General Meeting.
- ♦ There is no monetary consideration payable for the issue of the Performance Rights and no funds will be raised by the issue of the Performance Rights or resultant Shares.
- ♦ No loans will be provided to Directors.
- ♦ No parties have received securities under the Plan previously.
- ♦ All Directors are entitled to participate in the Plan.
- ♦ Details of any securities issued under the Plan will be published in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under listing rule 10.14.
- ♦ Any additional related parties who may become entitled to participate in the performance rights scheme after the Resolutions are approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

2. ENQUIRIES

Shareholders may contact Jodi Haslinger on (+ 61 8) 9380 6063 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means 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.

Company means Buxton Resources Limited (ABN 86 125 049 550).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Performance Right means a right to acquire a Share on the terms set out in Annexure 2.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE 1

Terms of options (Resolution 1)

The terms of the options the subject of Resolution 1 are:

1. Each option entitles the holder to one (1) Share.
2. The options are exercisable at any time prior to 5.00pm WST on 31 January 2016 ("Expiry Date").
3. The exercise price of the options is 35 cents per option.
4. The options are freely transferable.
5. The Company will provide to each option holder a notice that is to be completed when exercising the options ("Notice of Exercise"). The options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company shall within 7 days after the receipt of such Notice of Exercise, issue Shares in respect of the options exercised and dispatch a shareholder statement to the holder.
6. Upon the exercise of an option and receipt of all relevant documents and payment, the holder in accordance with paragraph 5 will be allotted and issued a Share ranking equally with the then issued Shares.
7. There will be no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the term of the options. The option holder has no rights to a change in the exercise price of the option or a change to the number of underlying securities over which the option can be exercised except in the event of a bonus issue. The Company will ensure that for the purposes of determining entitlements to any new issue, the record date will be at least 7 business days after the issue is announced. This will give option holders the opportunity (where available) to exercise their options prior to the date for determining entitlements to participate in any such issue.
8. If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an option is exercisable will be increased by the number of Shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an option holder are to be changed in a manner consistent with the Listing Rules.

ANNEXURE 2

Terms of Performance Rights (Resolutions 2, 3 and 4)

The material terms of the Performance Rights the subject of Resolutions 2, 3 and 4 are:

1. The Performance Rights are non-transferable.
2. The Performance Rights do not confer any entitlement to attend or vote at meetings of the Company, to dividends, to participation in new issues of securities or entitlement to participate in any return of capital.
3. The Performance Rights vest upon the satisfaction of the following performance hurdle within 3 years of the issue of the Performance Rights:

The Shares trade at a volume weighted average price of at least 35 cents per Share for a consecutive period of at least 30 Business Days.
4. The Performance Rights lapse if the performance hurdle is not satisfied within 3 years of the issue of the Performance Rights.
5. Upon vesting, one (1) Share will be issued for every one (1) Performance Right. The Shares will rank equally in all respects with the existing Shares.
6. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the vesting date, the number of Performance Rights will be reconstructed in a manner consistent with the ASX Listing Rules.

PROXY FORM

APPOINTMENT OF PROXY
BUXTON RESOURCES LIMITED
ABN 86 125 049 550

GENERAL MEETING

I/We

being a member of Buxton Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

Mark this box if you wish to appoint the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 12 pm (WST), on Thursday 26th May 2011, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

Voting on Business of the General Meeting

Resolution 1 – Ratification of prior issue of Options
Resolution 2 – Issue of Performance Rights to Anthony Maslin
Resolution 3 – Issue of Performance Rights to Seamus Cornelius
Resolution 4 – Issue of Performance Rights to Sam Wright

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

OR

☐

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolutions 1 to 5 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 4 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 4.

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this day of 2011 %

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

BUXTON RESOURCES LIMITED
ABN 86 125 049 550

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at an General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Buxton Resources Limited, PO Box 9028, Subiaco, Western Australia 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 9381 4056,

so that it is received not later than 12 pm (WST) on Tuesday 24th May 2011.

Proxy forms received later than this time will be invalid.

This page has been left blank intentionally.

