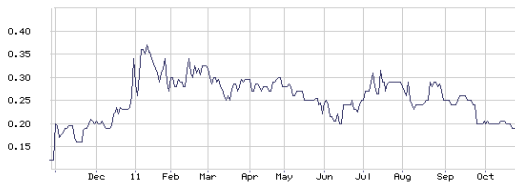


0.7 – 1.3 Billion Tonne Exploration Target at Zanthus Magnetite Project

ABN: 86 125 049 550
ASX Code: BUX, BUXO
Frankfurt: 3B4.F
Share Price: 0.20
Shares on Issue: 40.1M
No of listed options: 4.0M
Market Cap: 8.02M
Cash at Bank: 1.73M



Contact Details

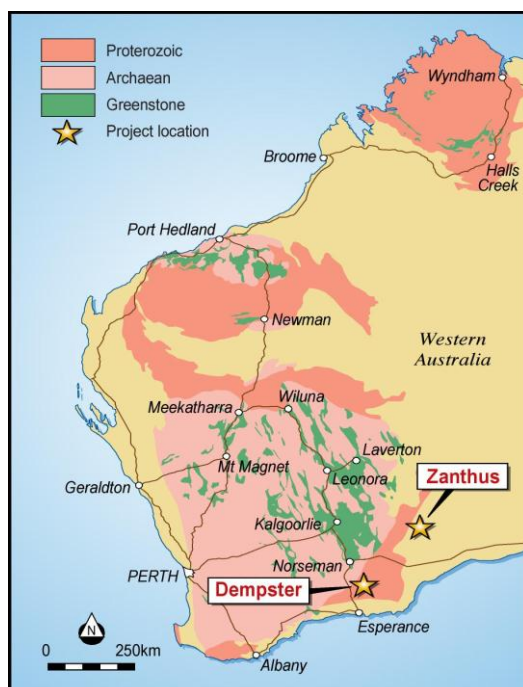
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Highlights

- Preliminary Global Exploration Target;
 - 0.7-1.3 Billion Tonnes @ 22%-32% Fe*
- Five major exploration target areas;
 - Cohen: 140-210 Mt @ 26%-32% Fe*
 - Marley Line: 151-281 Mt @ 22%-32% Fe*
 - Zappa-Dylan Line: 227-421 Mt @ 22%-32% Fe*
 - Joplin-Hendrix Line: 151-281 Mt @ 22%-32% Fe*
 - Southern Targets: 76-140 Mt @ 22%-32% Fe*
- Initial JORC resource estimation underway for Cohen - expected to be complete by end of November
- Significant Davis Tube metallurgical test-work program underway to optimize previous excellent results - high grade concentrate produced with excellent recoveries at a grind size of 150 microns (p80)
- Scoping Study to begin shortly

**The potential quality and grade of the Zanthus Exploration Target(s) is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Summary

Buxton Resources Limited (“Buxton” or “the Company”) is pleased to report a preliminary Exploration Target at the Zanthus Magnetite Project of;

0.7 to 1.3 Billion Tonnes @ 22% to 32% Fe*

The global Exploration Target was derived by Buxton’s experienced geological team using drilling information and geophysical modelling of ground magnetics. It is made up of five separate target areas that have been explored to varying levels by the Company.

Buxton’s Managing Director Anthony Maslin commented, *“The Company is extremely pleased to be able to report the substantial Exploration Target at Zanthus. The project has taken another leap forward and can now demonstrate the three key attributes required to develop a successful magnetite project: its potential large size, excellent metallurgical characteristics and close proximity to rail infrastructure. The Company is now pushing forward with an initial JORC resource estimate for Cohen followed by a Scoping Study scheduled to begin shortly.”*

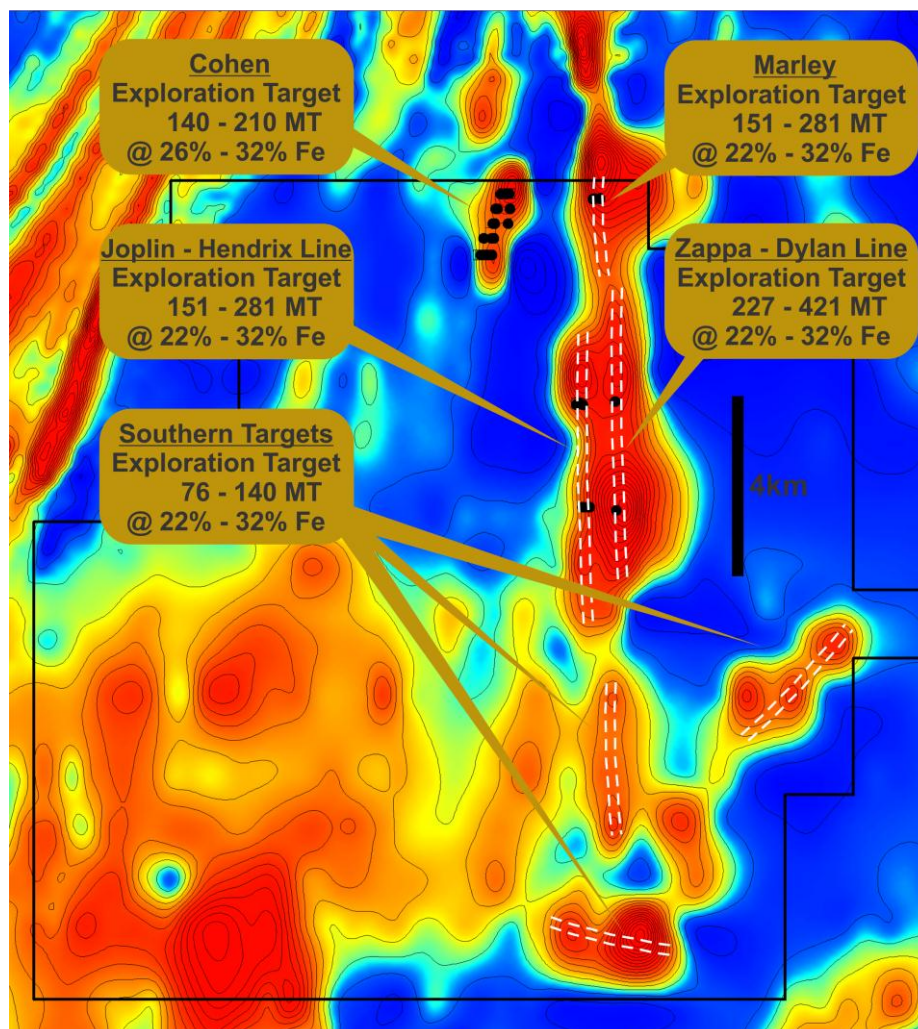


Figure 1. Aeromagnetic image over the Zanthus Magnetite Project showing the five separate Exploration Target areas.

Exploration Target

Exploration Targets were estimated by the Company for five separate prospects across the Zanthus Magnetite Project. These prospects have each been explored to varying degrees and therefore the level of confidence in the targets with a greater quantity of drilling information is higher than those with sparse or no drilling information.

Cohen

140-210 Mt @ 26%-32% Fe*

A total of 3,686m of RC drilling has been completed at the Cohen Prospect over the 2010 and 2011 drill seasons. The main magnetite-bearing horizon averages 40-50m true thickness. It has been folded into a regional, north-south trending and apparently doubly plunging, synformal structure >2km in length (Figure 2). Drilling results thus show a coherent, wide zone of magnetite mineralisation over a combined strike length of at least 4km at Cohen. Iron mineralisation also remains open at depth on all sections drilled to date.

The large amount of drilling information at Cohen, in addition to the detailed ground magnetic data, allowed the Exploration Target to be estimated by creating a wireframe of the mineralisation and applying an average bulk density. The Exploration Target was estimated down to a vertical depth of 250m and the synformal geometry of the mineralisation appears to be being ideally shaped for a potential open pit. Unmineralised overburden at Cohen extends to depths ranging between 30m and 60m from surface.

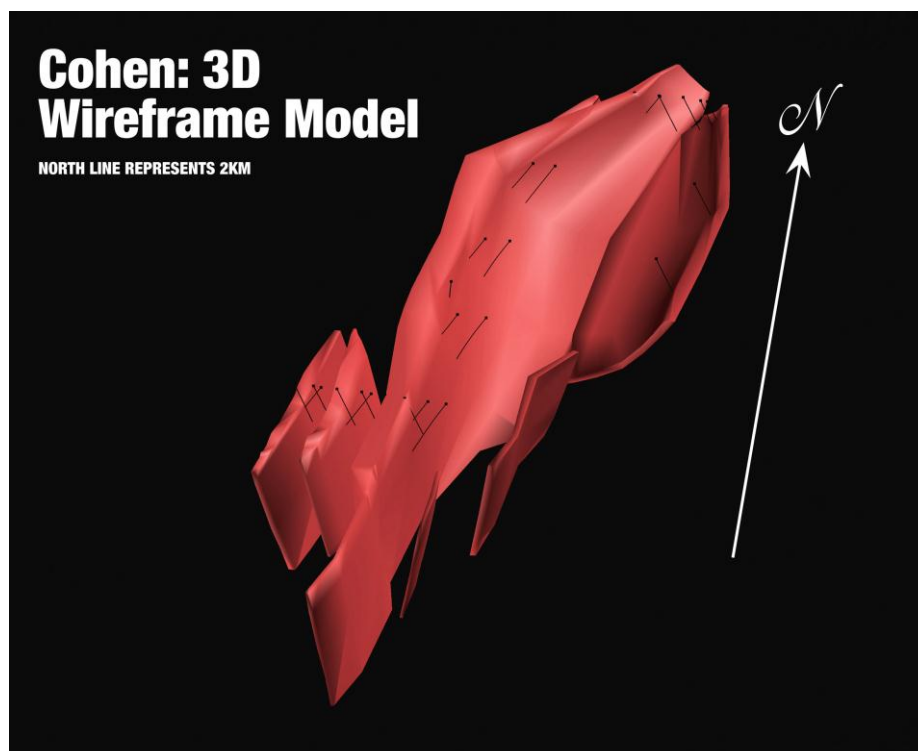


Figure 2. 3D wireframe model of magnetite mineralisation at Cohen looking NW.

Marley Line

151-281 Mt @ 22%-32% Fe*

The Marley Line is represented by a moderate to strong magnetic anomaly approximately 4km in length. Modelling of ground magnetic data suggest that this prospect is controlled by a north-trending, shallowly plunging antiformal structure. Limited drilling to date by Buxton has intersected substantial widths of mineralisation near the interpreted antiformal hinge.

Thicknesses and geometries of the mineralised zones were estimated using mainly ground magnetic and drilling data. The mineralisation has been modelled with east and west dipping limbs to the antiform assumed to be 300m in down-dip length each down to a vertical depth of 250m. The thickness of the mineralised unit was conservatively estimated at 30m. The top 50m was modelled as unmineralised overburden.

Zappa-Dylan Line

227-421 Mt @ 22%-32% Fe*

The Zappa-Dylan Line is represented by a strong magnetic anomaly approximately 6km in length. As at Marley, modelling of ground magnetic data suggest that this prospect is controlled by a north-trending, shallowly plunging antiformal structure.

Thicknesses and geometries of the mineralised zones were estimated using ground magnetic data. Drilling to date has confirmed the presence of mineralisation but has not adequately tested the magnetic anomalies. The mineralisation has also been modelled with east and west dipping limbs to the antiform assumed to be 300m in down-dip length each down to a vertical depth of 250m. The thickness of the mineralised unit was conservatively estimated at 30m. The top 50m was modelled as unmineralised overburden.

Joplin-Hendrix Line

151-281 Mt @ 22%-32% @ Fe*

The Joplin-Hendrix Line is represented by a moderate intensity magnetic anomaly approximately 6km in length immediately adjacent to the Zappa-Dylan line. Modelling of ground magnetic data suggests that this prospect is also controlled by a north-trending, shallowly plunging antiformal structure.

Thicknesses and geometries of the mineralised zones were estimated using ground magnetic and limited drilling data available for this area. The mineralisation has also been modelled with east and west dipping limbs to the antiform assumed to be 300m in down-dip length each down to a vertical depth of 250m. The thickness of the mineralised unit was conservatively estimated at 20m. The top 50m was modelled as unmineralised overburden.

Southern Prospects

76-140 Mt @ 22%-32% Fe*

The Southern Prospects are represented by a weak to strong group of magnetic anomalies totalling about 9km in strike length. At this point, not enough ground geophysical data is

available to model the geometries of these zones in detail. However, as they occur directly along strike from the Joplin-Hendrix and Zappa-Dylan Trends it is relatively assuredly assumed that these anomalies represent similar magnetite mineralisation.

The Southern Prospects have not been drilled and therefore little about the detailed structural geology is known. Thus, we have conservatively estimated a single 20m wide unit over a combined 9km strike length down to 250m vertical depth. The top 50m was modelled as unmineralised overburden.

**The potential quality and grade of the Zanthus Exploration Target(s) is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Cohen Resource Estimate

Mining Consultancy Runge has been engaged to complete an initial resource estimate for the Cohen Deposit, which is expected to be completed in November. It should be noted that drilling at Cohen on many of the sections has not penetrated beneath vertical depths of around 150m. In addition, the eastern fold limb has had very limited drilling. Therefore, the initial Cohen resource estimate is not expected to approach the Exploration Target size. Substantial further drilling would be required in future to increase any potential resource size to that approaching the Exploration Target.

Davis Tube Testwork

A significant Davis Tube metallurgical test-work program is underway at AMMTEC laboratories in Perth in order to optimize previous excellent results that produced;

- Concentrate grades ranging between 65% and 68% Fe with low impurities
- Coarse grind size of 150 microns (p80) – far superior to most industry peers
- High mass recoveries with concentrates averaging 41% of the feed mass with iron recoveries to concentrate averaging 81% and expected to improve with further optimisation test-work

Concluding Comments

The new Exploration Target at Zanthus represents a further significant milestone for the project. Although still at a relatively early stage, the Company believes it has delineated a substantial and attractive magnetite asset with a number of very favourable features including;

- Close proximity to the Trans Australian Railway, including the Zanthus Railway Siding, and its connection to the Port of Esperance, potentially allowing for significantly reduced capital costs compared to many other Australian magnetite projects
- Very favourable preliminary metallurgical characteristics likely to result in coarse grind sizes and potential substantial reductions in future capital and operating costs compared to many other magnetite projects
- Demonstrated potential to contain a moderate to large sized magnetite deposit

Competent Person: *The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director for Buxton Resources Limited. Dr Stephens has sufficient experience which is relevant to the activity being undertaken to qualify as a “Competent Person”, as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.*

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