ASX Release **19th March 2014**

DRILLING COMMENCES AT ZANTHUS NI-CU PROJECT

Highlights

- **~ 3,000m RC drill program commences to test up to 20 conductors defined in recent ground EM survey for Ni-Cu sulphide mineralisation**
- **Prime targets located in favourable geological positions and close to anomalous nickel geochemistry**

Summary

Buxton Resources Limited (ASX: BUX & BUXO) is pleased to advise that RC drilling at the Zanthus Ni-Cu Project has now commenced. The Company has planned a 3,000m RC drill program to test up to 20 EM conductors, some with nearby calcrete geochemical anomalies, defined in the recent ground EM survey for Ni-Cu sulphide mineralisation.

Buxton's Managing Director Anthony Maslin commented: "We are very pleased to finally commence drilling, following recent delays due to heavy rains in the area.

We have a large number of excellent Ni-Cu targets lined up for our maiden drilling program at Zanthus, each presenting the Company with great opportunities to potentially discover a new nickel sulphide deposit in the highly prospective Fraser Range Nickel Province."

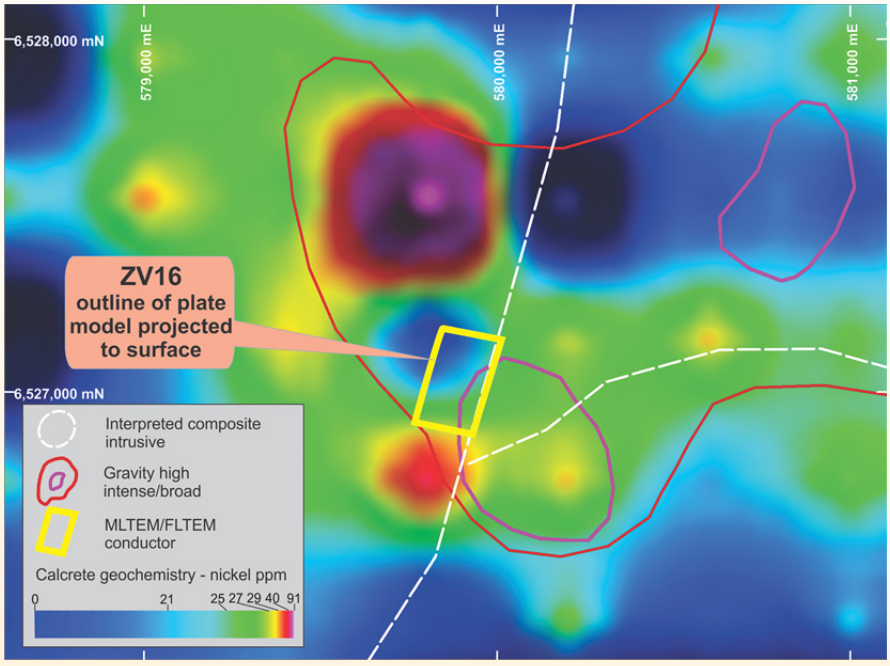

Figure 1. Compelling drill target – strong conductor ZV16 with gridded nickel calcrete geochemistry and interpreted intrusive bodies and gravity anomalies.

Additionally, Buxton has been successful with its proposal under the Co-Funded Government – Industry Drilling Program (2014) through the Department of Mines and Petroleum. Therefore an amount of up to $150,000 will be provided to co-fund the drilling program at Zanthus.

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MLTEM and FLTEM Conductors

All 20 of the MLTEM and FLTEM conductors are summarized below in Table 1. The four high priority targets are also further described in text below.

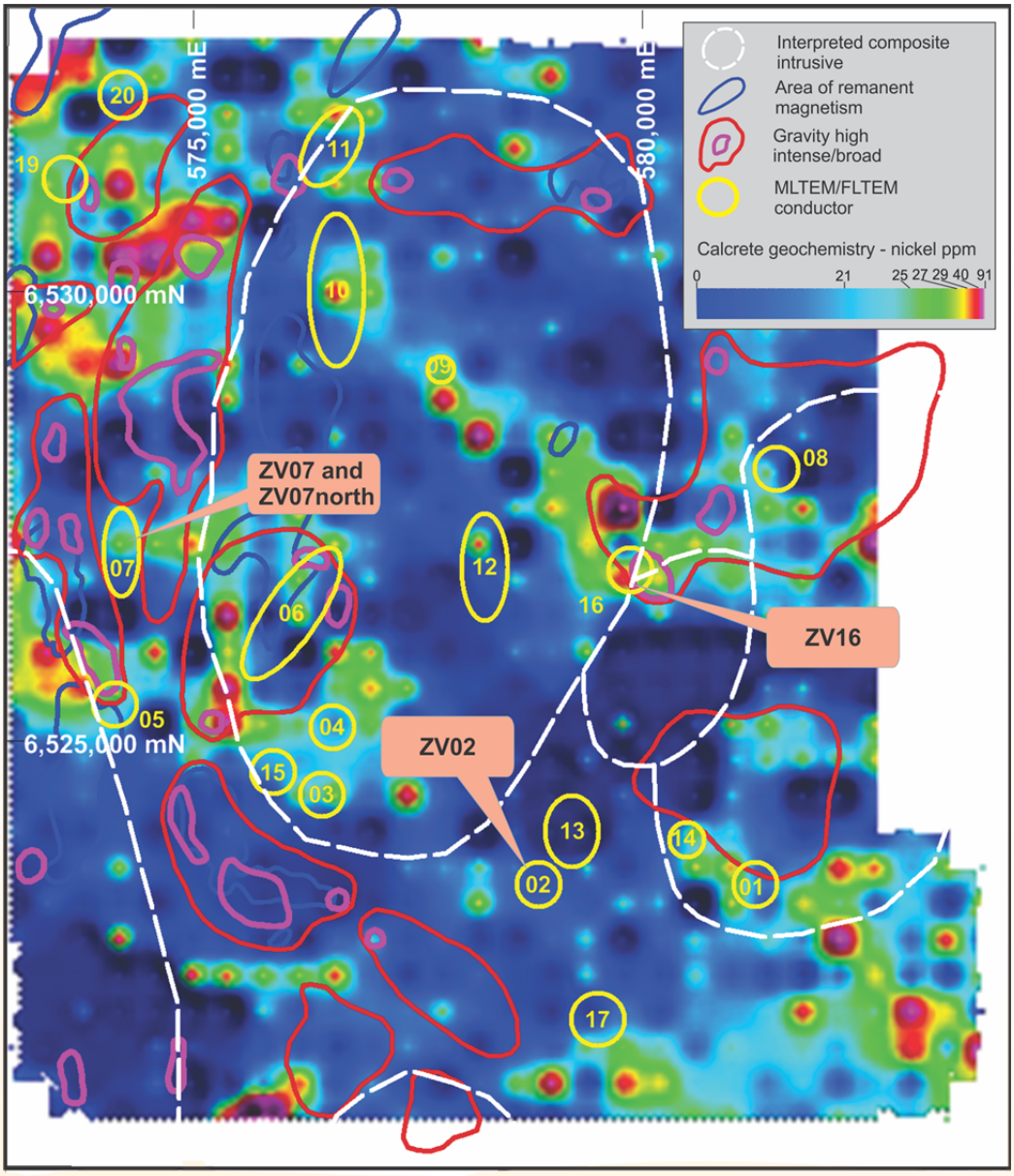

Figure 2. MLTEM and FLTEM conductors over gridded nickel calcrete geochemistry, interpreted intrusive bodies, remanently magnetised zones and gravity anomalies.

ZV16

The TEM data shows a strong response from a steeply east-dipping conductor. The target is approximately 90m below surface with a conductance of around 1,000 S and dimensions of 280m (strike) and 300m (depth). The modelling is well constrained as the response is very strong from this highly conductive target which is relatively large and shallow.

Additionally, this conductor occurs coincident with a discrete gravity high and at the margins of two adjoining interpreted intrusive bodies. It is also in an area of high nickel and copper calcrete geochemistry responses, with peak nickel of 50ppm (Figures 1, 2, 3 & 4)

A single drill-hole has been planned to test ZV16 (Figure 4).

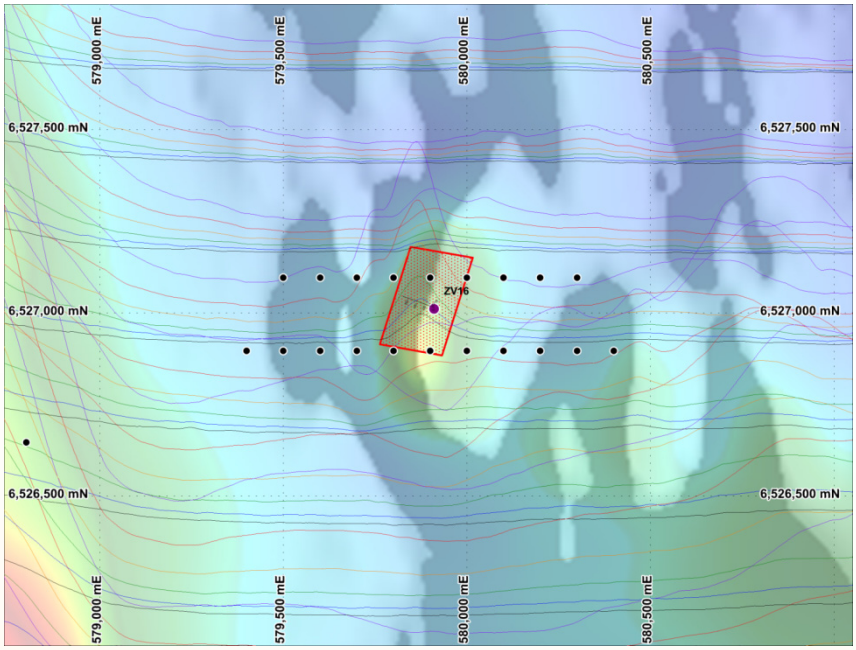

Figure 3. ZV16 plan view showing the TEM plate model (red) and proposed drill collar (purple) against the VTEM late-time channel amplitude image (channel 48) and stacked profiles (channels 43 to 48). MLTEM stations are shown as black points.

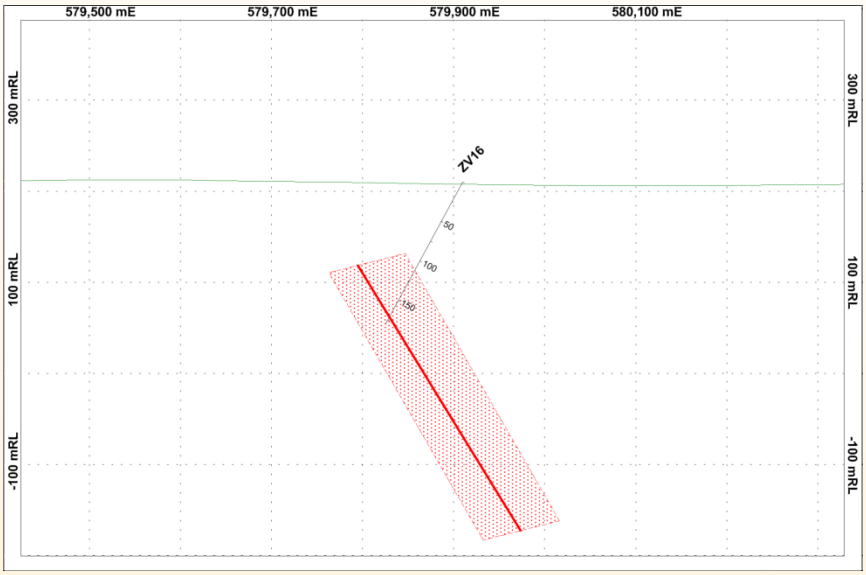

Figure 4. ZV16 cross section (looking north) for 6527015mN, showing TEM model (red) and proposed drill-hole.

ZV07 and ZV07 North

The ZV07 conductor strikes approximately N-S and dips/plunges moderately to the north and also to the east. The source body is an irregular shape or the properties and/or orientation vary along strike. A strong and shallow expression of the conductor is observed on the southern line (6526900mN).

Two different plate models have been generated for ZV07 (Figures 5 & 6). The red conductor model (ZV07) has been modelled to fit mainly the central and southern lines whereas the magenta plate (ZV07north) is modelled primarily on the central and northern lines. The ZV07 model has a much higher conductance at ~837 S than ZV07north, but it is also thinner where it is closer to surface.

A single drill hole has been planned to intersect ZV07 slightly up-dip from the centre of the target. The planned drill hole will intersect both of the MLTEM models, providing increased confidence for intersecting the target (Figures 5 & 6).

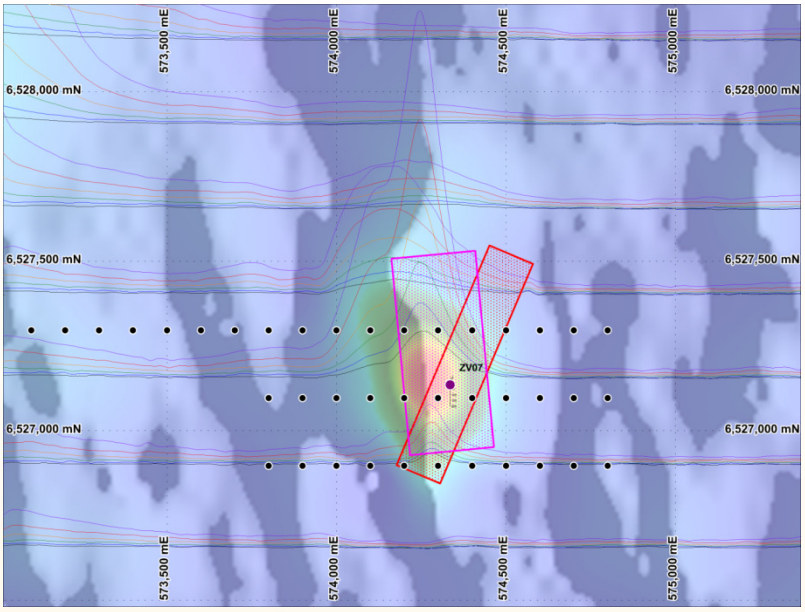

Figure 5. ZV07 plan view showing the TEM plate models (magenta and red) and proposed drill collar (purple) against the VTEM late-time channel amplitude image (channel 48) and stacked profiles (channels 43 to 48). MLTEM stations are shown as black points.

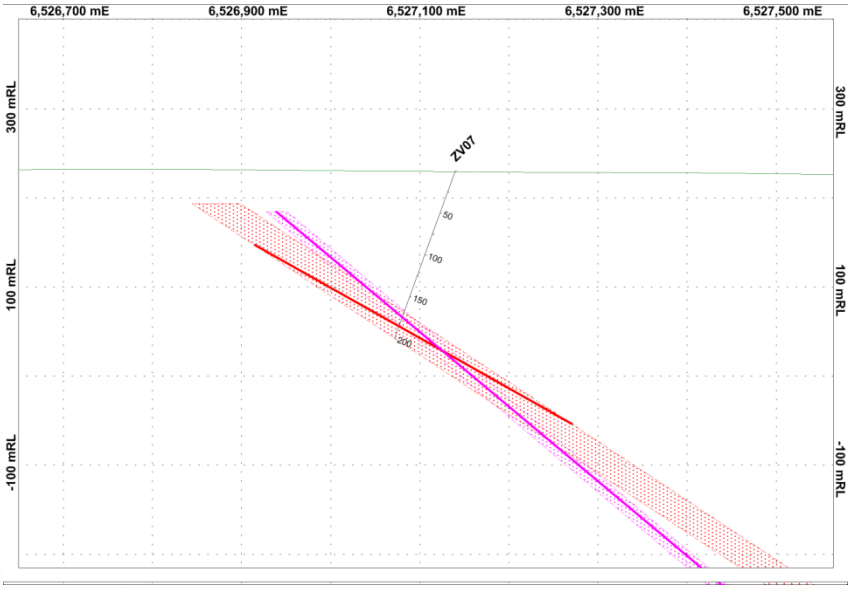

Figure 6. ZV07 cross section (looking west) for 574335mE, showing TEM models and proposed drill-hole.

ZV02

Modelling indicates a sub-horizontal target located just over 100m below surface with a conductance of around 800 S (Figures 7 & 8). The conductor occurs in a wedge of country rock between two interpreted intrusive bodies.

A single drill-hole, aimed at the centre of the target, has been designed to test the conductor.

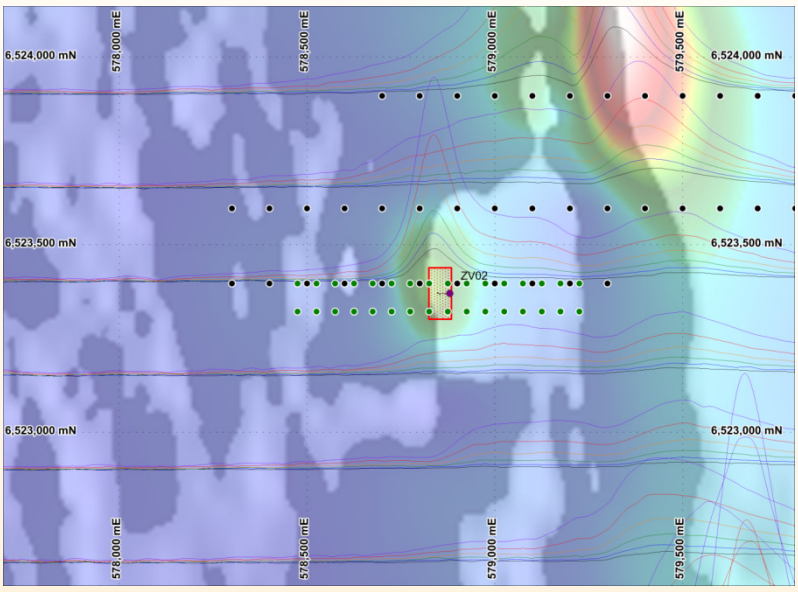

Figure 7. ZV02 plan view showing the TEM plate model (red) and proposed drill collar (purple) against the VTEM late-time channel amplitude image (channel 48) and stacked profiles (channels 43 to 48). MLTEM stations are shown as black points and FLTEM stations as green points.

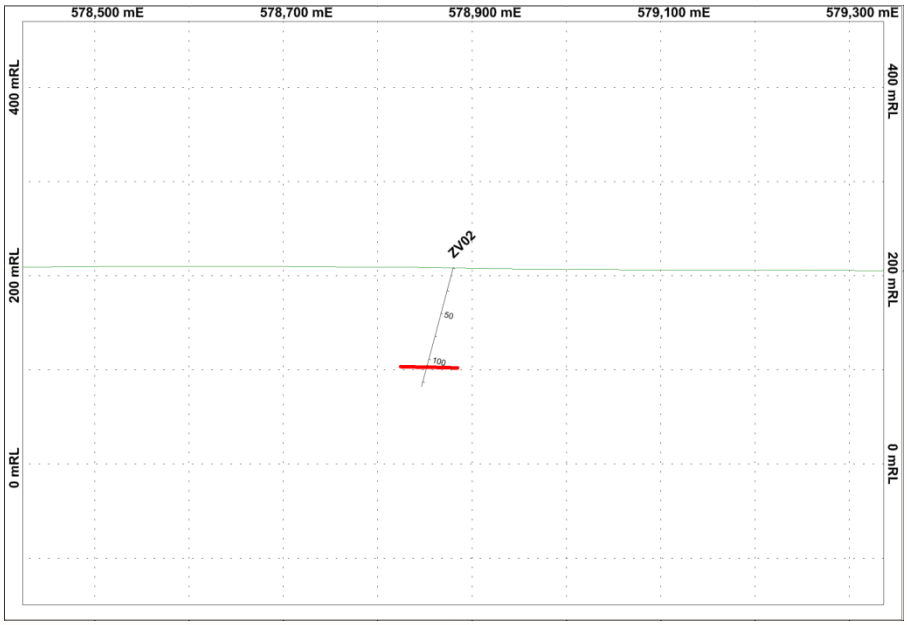

Figure 8. ZV02 cross section (looking north) 6523400mN, showing TEM model (red) and proposed drill-hole.

Table 1. List and brief description of all Zanthus MLTEM and FLTEM conductors.

NAME	PRIORITY	COMMENTS
ZV01	med	Weak to moderate conductor plunge north and dipping moderately east. Conductor is coincident with the margin of a gravity high.
ZV02	**high**	**Strong though small, sub-horizontal bedrock conductor.**
ZV03	med	Weak, small, sub-horizontal conductor within or above interpreted intrusive body.
ZV04	low	Moderate strength, unresolved orientation, within or above an interpreted intrusive body.
ZV05	low	Weak response from a small or deep conductor. Associated high gravity and magnetic remanence.
ZV06west	low	Weak, probable stratigraphic conductor, dipping to the east.
ZV06east	med	Strong, probable stratigraphic conductor, dipping to the east.
ZV07north	**high**	**Moderate strength conductor, irregular shape, wedged between two broad gravity highs.**
ZV07	**high**	**High strength conductor, irregular shape, wedged between two broad gravity highs.**
ZV08	med	Weak, near surface, subvertical conductor occurring toward the centre of a broad gravity high.
ZV10	med	Strong response, moderately east-dipping conductor, possibly stratigraphic. Weak nickel geochemical anomalism.
ZV11	med	Strong response, steeply east-dipping conductor, possibly stratigraphic.
ZV12	low	Weak, sub horizontal conductor. May be part of, or close to, an extensive surficial or stratigraphic conductor.
ZV13	low	Moderate strength, moderately east dipping probable stratigraphic conductor.
ZV14	low	Weak, sub-horizontal conductor coincident with the margin of a gravity high.
ZV15	low	Weak, small, sub-horizontal conductor within or above intrepreted intrusive body.
ZV16	**high**	**Strong, discrete steeply east dipping conductor over discrete gravity high and located at the margins of two interpreted intrusive bodies. Associated surface nickel geochemical anomalism.**
ZV17	low	Strong, moderately east dipping conductor. Probably stratigraphic.
ZV19	low	Weak, steeply east dipping conductor. Probably stratigraphic.
ZV20	low	Moderate, steeply east dipping conductor. Probably stratigraphic.

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Competent Persons

The information in this report that relates to exploration results and geology for the Zanthus Project has previously been reported under the 2004 edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled and/or reviewed by Dr Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director for Buxton Resources Limited. No material changes have occurred to this information. 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 compiled and/or reviewed by him in the form and context in which they appear.