

ASX Release

24 August 2016

## **BUXTON & INDEPENDENCE GROUP ENTER INTO FRASER RANGE JOINT VENTURE**

### **Highlights**

- **Formation of Fraser Range Joint Venture with Independence Group (ASX: IGO)**
- **Buxton to receive \$1.5 million payment for 90% interest**
- **Buxton is free carried by IGO for all expenditure until a Decision to Mine**
- **Significant financial resources of IGO to undertake aggressive exploration campaign for world-class nickel deposits in the Fraser Range**
- **Buxton retains exclusive right to explore and develop iron ore**

Buxton Resources Limited (ASX: BUX) is pleased to announce it has entered into a joint venture agreement with Independence Group NL (ASX: IGO) in respect of its Zanthus (E28/1959) and Widowmaker (E28/2201) tenements (the Tenements) located in the Fraser Range, Western Australia (see Figure 1).

Buxton's Managing Director, Mr Eamon Hannon said *"The formation of this joint venture in the Fraser Range with Independence Group is a great result for Buxton shareholders. Buxton will receive \$1.5 million in cash and be free carried on all expenditure until a Decision to Mine is made on the Tenements – at which point Buxton will have a 10% interest in possibly a world-class nickel deposit. We are excited about the potential upside from this joint venture."*

*The Fraser Range is a highly prospective ground package, however requires the significant financial resources of a leading diversified mining house like Independence Group to undertake aggressive exploration campaigns.*

*The joint venture will enable Buxton to achieve considerable cost and administrative savings and help fast-track its highly promising flagship Double Magic Project in the Kimberley region of Western Australia."*

Under the terms of the joint venture agreement, Buxton grants to IGO the sole and exclusive right to acquire a 90% interest in the Tenements by IGO immediately paying \$1.5 million in cash. Buxton will maintain a 10% interest in the Tenements.

Buxton and IGO will associate in an unincorporated joint venture for the purpose of exploring, and if warranted, developing and mining the Tenements in relation to all minerals other than iron ore. Buxton shall be free-carried by IGO until such time as a Decision to Mine is made in respect of the Tenements.

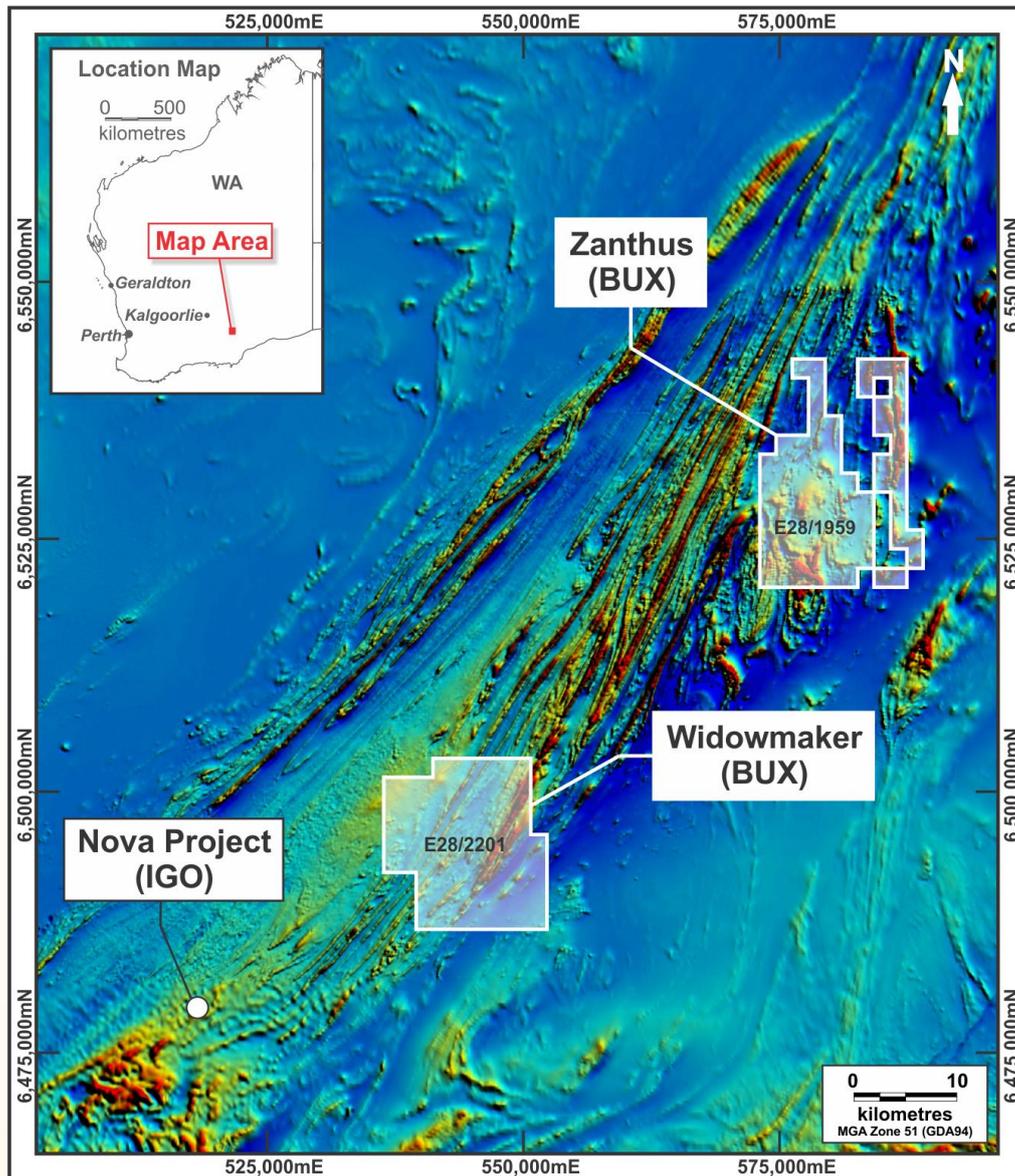
At this point, Buxton may elect to either participate in development by contributing capital pro-rata based on its JV interest, have its remaining 10% interest purchased by IGO for market value, or dilute to a Net Smelter Return Royalty (NSR).

The parties agree that IGO will grant to Buxton the exclusive right to explore and develop iron ore on the Tenements. The terms of such an exclusive right are to be finalised in a formal agreement to be entered into at the same time as the formal exploration joint venture agreement is completed.

Buxton's 100% owned Zanthus Magnetite Project is located on the Tenements and contains an Initial Inferred JORC Resource of 103.6Mt at 26.5% Fe, with good potential to expand the resource. The Zanthus Ni-Cu Project is located approximately 60km along strike from IGO's Nova Ni-Cu-Co Project in the emerging Fraser Range Nickel Province, Western Australia. The project covers an area of 367km<sup>2</sup>. Gravity data was gathered over an area of 137km<sup>2</sup> of the potential gneiss units interpreted as being similar to those that host "the Eye" mafic - ultramafic intrusive that contains the Nova-Bollinger deposit.

Buxton's Widowmaker Project is also located in the Fraser Range and covers an area of approximately 225km<sup>2</sup>. The Fraser Range Nickel Province is host to a number of significant discoveries, most notably IGO's Nova Project with Buxton's Widowmaker Project located 22km along strike.

Approximately 15km of strike length of the favourable lithological host-rock package is interpreted to underlie the Widowmaker Project with multiple, significant Ni, Cu and PGE anomalies identified in a historical calcrete soil sampling database.



**Figure 1: Location of the Tenements in the Fraser Range, Western Australia**

**For further information, please contact:**

**Eamon Hannon**  
 Managing Director  
[ehannon@buxtonresources.com.au](mailto:ehannon@buxtonresources.com.au)

**Sam Wright**  
 Company Secretary  
[sam@buxtonresources.com.au](mailto:sam@buxtonresources.com.au)

## Competent Person's Statement

*The information in this report that relates to exploration results, geology and resources for the Widowmaker and Zanthus projects is based on information previously reported under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled and/or reviewed by Mr Eamon Hannon, Fellow of the Australian Institute of Mining and Metallurgy and Managing Director at Buxton Resources Limited. No material changes have occurred to this information. Mr Hannon has sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 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. There have been no material changes to the information reported in the previous report.*