
BUXTON RESOURCES LIMITED
ACN 125 049 550

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT AND
PROXY FORM

TIME: 12 noon (WST)
DATE: 21 November 2016
PLACE: Steve's Wine Cellar
30 The Avenue
Nedlands, 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 I this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6364 0899.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Meeting of Shareholders to which this Notice of Meeting relates to will be held at 12 noon (WST) 21 November 2016 at:

Steve's Wine Cellar
30 The Avenue
Nedlands, Western Australia

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the 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 661, Nedlands, Western Australia 6909; or
- (b) facsimile to Buxton Resources Ltd on facsimile number (+61 8) 9467 6111; or
- (c) deliver to the Company's office at Suite 1, First Floor, 14-16 Rowland Street, Subiaco, Western Australia 6008; or
- (d) email to sam@buxtonresources.com.au

so that it is received not later than 12 noon (WST) on 19 November 2016.

Proxy forms received later than this time will be invalid.

BUXTON RESOURCES LIMITED

ACN 125 049 550

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Buxton Resources Limited will be held at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia on 21 November 2016 at 12 noon (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2016."

Short Explanation: The Company is required to put a resolution to adopt the remuneration report of the Company at each annual general meeting. This is an advisory resolution only and does not bind the Directors or the Company.

Voting exclusion: A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and

- (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – 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 article 6.3 of the Constitution and for all other purposes, Anthony Maslin, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

Short Explanation: Anthony Maslin is currently a Director and is presented for re-election in accordance with the rotation requirements of the Company's Constitution.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – FENG (FRANK) XUE

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

“That, for the purposes of article 6.3(i) of the Constitution and for all other purposes, Mr Xue, being a Director of the Company appointed since the last Annual General Meeting, offers himself for election and being eligible, is hereby elected as a Director of the Company.”

Short Explanation: Feng (Frank) Xue is currently a Director appointed since the last Annual General Meeting and is presented for re-election in accordance with requirements of the Company's Constitution.

RESOLUTION 4 - RATIFICATION OF SHARES ISSUED TO CONTRACTOR

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the issue of 82,418 Shares to a contractor on the terms set out in the Explanatory Statement accompanying this Notice.”

Short Explanation: The Company seeks approval to ratify the Shares issued and refresh the Company's 15% placement capacities.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it:

- (a) 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
- (b) 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 5 - RATIFICATION OF OPTIONS ISSUED TO MONTEZUMA MINING LIMITED

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the issue of 4,000,000 Options to Montezuma Mining Limited on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: The Company seeks approval to ratify the Options issued and refresh the Company's placement capacities.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it:

- (a) 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
- (b) 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 6 – ISSUE OF OPTIONS TO 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 Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 800,000 Options at an exercise price of 15 cents and expiry date of 30 November 2020 to Mr Seamus Cornelius, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: The Company proposes to issue Options to Mr Cornelius, a Director, under the Employee Incentive Plan. Shareholder approval is required under the Listing Rules and the Corporations Act.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company and any associate of a director. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairperson as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting; and
- (d) the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 7 – ISSUE OF OPTIONS TO ANTHONY MASLIN

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

"That, subject to the passing of Resolution 2, for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 800,000 Options at an exercise price of 15 cents and expiry date of 30 November 2020 to Mr Anthony Maslin, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: The Company proposes to issue Options to Mr Maslin, a Director, under the Employee Incentive Plan. Shareholder approval is required under the Listing Rules and the Corporations Act.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company and any associate of a director. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairperson as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting; and
- (d) the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 8 – ISSUE OF OPTIONS TO FENG (FRANK) XUE

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

"That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 800,000 Options at an exercise price of 15 cents and expiry date of 30 November 2020 to Mr Xue, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: The Company proposes to issue Options to Mr Xue, a Director, under the Employee Incentive Plan. Shareholder approval is required under the Listing Rules and the Corporations Act.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company and any associate of a director. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairperson as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting; and
- (d) the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 9 – ISSUE OF OPTIONS TO EAMON HANNON

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

"That, for the purposes of Listing Rule 10.14 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 1,200,000 Options at an exercise price of 15 cents and expiry date of 30 November 2020 to Mr Hannon, a director of the Company, or his nominee(s) on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: The Company proposes to issue Options to Mr Hannon, a Director, under the Employee Incentive Plan. Shareholder approval is required under the Listing Rules and the Corporations Act.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company and any associate of a director. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairperson as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Restriction on proxy voting by key management personnel or closely related parties: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting; and

- (d) the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 10 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

To consider, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

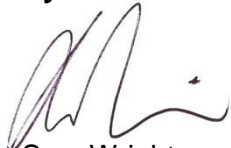
"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Listing Rule 7.1A permits eligible entities to obtain shareholder approval to issue an additional 10% of the entities' issued ordinary securities during a 12 month period. Shareholder approval must be given by a special resolution (at least 75% approval) at an annual general meeting.

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

By order of the Board



Sam Wright
Company Secretary
19 October 2016

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the 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.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 19 November 2016 at 12 noon (WST).
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

BUXTON RESOURCES LIMITED
ACN 125 049 550

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.buxtonresources.com.au.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2016;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2016.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2016. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY MASLIN

Article 6.3 of the Constitution requires that where the Company has 3 or more Directors, one-third (rounded down to the nearest whole number) must retire at each annual general meeting. Additionally, each of the Constitution and Listing Rule 14.4 provide that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to a managing director.

Mr Maslin was appointed as a Director by the Board on 11 November 2010 and was elected a Director on 29 November 2010 at the 2010 annual general meeting. Mr Maslin was the Managing Director of Buxton Resources from December 2010 until December 2014. Mr Maslin retires by rotation in accordance with the Constitution, and being eligible, offers himself for re-election as a Director.

Mr Maslin is a non-executive Director of the Company. Details of the qualifications and expertise of Mr Maslin are set out in the 2016 Annual Report of the Company.

The Directors recommend the re-election of Mr Maslin as a Director.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR –FENG (FRANK) XUE

Article 6.2(b) of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

By article 6.3(i), any Director so appointed under article 6.2(b) of the Constitution holds office only until the next following general meeting of Shareholders and is then eligible for re-election.

Mr Xue retires in accordance with these provisions, and being eligible, offers himself for re-election as a Director.

Mr Xue is a non-executive Director of the Company. Details of the qualifications and expertise of Mr Xue are set out in the 2016 Annual Report of the Company.

The Directors recommend the re-election of Mr Xue as a Director.

5. RESOLUTION 4 - RATIFICATION OF SHARES ISSUED TO CONTACTOR

Resolution 4 seeks Shareholder approval in relation to the issue of 82,418 shares issued to a contractor in lieu of \$7,500 cash for geological consultancy services at the Double Magic Project on 31 August 2016.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

The Shares issued the subject of this Resolution were issued within the Company's 15% placement capacity.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and shareholders subsequently approve it. The Company now seeks Shareholder approval to ratify the Shares issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 82,418 Shares.
- (b) The Shares were issued for a nil cash consideration at a deemed issue price of 9.1 cents per Share being in consideration for the provision of geological consultancy services at the Double Magic Project.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Shares were issued to Mr Peter Geerdts, a geological services contractor. Mr Geerdts is not a related party of the Company.
- (e) No funds were raised from the issue of Shares.

6. RESOLUTION 5 – RATIFICATION OF OPTIONS ISSUED TO MONTEZUMA MINING LIMITED

Resolution 5 seeks Shareholder approval in relation to the issue of 4,000,000 Options issued on 1 April 2016 for no cash consideration in accordance with the terms of a Tenement Sale

Agreement which together with the grant of a 0.75% gross revenue royalty is the consideration of acquiring 15% of the E09/1985 tenement, taking Buxton's ownership to 100%.

Information about Listing Rules 7.1 and 7.4 are set out in Section 5 above.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 4,000,000 Options.
- (b) The Options were issued for nil cash consideration and being in consideration of the acquisition of an interest in a tenement.
- (c) The terms of the Options are set out in Annexure 1. The Options have an exercise price of 12.5 cents and an expiry date of 31 March 2019.
- (d) The Options were issued to Montezuma Mining Limited.
- (e) No funds were raised by the issue of the Options.

7. RESOLUTIONS 6 TO 9 - ISSUE OF OPTIONS TO DIRECTORS

7.1 Background

Resolutions 6, 7, 8 and 9 seek Shareholder approval so that the Company may issue Options to Messrs Cornelius, Maslin, Xue and Hannon under the terms of an employee incentive scheme. The employee incentive scheme is the Employee Incentive Plan approved by shareholders at the 2015 annual general meeting.

7.2 Chapter 2E of the Corporations Act - Related Party Transaction

The proposed issue of Options to Messrs Cornelius, Maslin, Xue and Hannon as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 6 to 9.

(a) **The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given**

The related parties are Seamus Cornelius (Resolution 6), Anthony Maslin (Resolution 7), Frank Xue (Resolution 8) and Eamon Hannon (Resolution 9) or their nominees.

(b) **The Nature of the Financial Benefit**

The proposed financial benefit to be given is the issue of up to:

- (i) 800,000 Options to Seamus Cornelius (or his nominee);
- (ii) 800,000 Options to Anthony Maslin (or his nominee);
- (iii) 800,000 Options to Frank Xue (or his nominee); and
- (iv) 1,200,000 Options to Eamon Hannon (or his nominee).

The terms of the Options are set out in Annexure 2.

(c) **Reasons and basis for giving the benefit and Directors Recommendation**

The Board currently consists of Seamus Cornelius, Anthony Maslin, Frank Xue and Eamon Hannon.

By Resolutions 6 to 9 the Directors will each receive Options.

The Directors have, and continue to be paid, what the Directors consider is less than their industry peers in order to direct the maximum funds towards creating value for all Shareholders. This is in line with the Company's general policy of non-cash based incentives in lieu of reduced wages.

The number of Options to be issued to each Director and the terms of the Options was negotiated by the Directors independent of that particular Director. The Options will be issued under the Employee Incentive Plan. The Board considers the number of the Options to be issued is appropriate in light of that Director's skill and experience and their remuneration as detailed below. The Options incentivise without a cash outlay by the Company.

All the Directors abstain from making a recommendation to Shareholders as they have or may be seen to have an interest in the outcome of the Resolutions.

The Company acknowledges that the issue of Options to Messrs Cornelius, Maslin and Xue as non-executive directors may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

(d) **Dilution**

The passing of Resolutions 6 to 9 would have the effect of granting up to 3,600,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 3,600,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 3.91% based on the total number of Shares on issue at the date of this Notice being 88,545,339 Shares.

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Options are exercised.

(e) **Total Remuneration Package of Related Parties**

The remuneration received by Seamus Cornelius is \$40,000 per annum as a Director's fee including any superannuation.

The remuneration received by Anthony Maslin is \$25,000 per annum as a Director's fee plus statutory superannuation.

The remuneration received by Frank Xue is \$25,000 per annum as a Director's fee including superannuation.

The remuneration received by Eamon Hannon is \$150,000 per annum as managing director plus statutory superannuation.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Cornelius, Maslin, Xue and Hannon and their associates have the following relevant interest in securities of the Company.

	Shares	Options
Seamus Cornelius	1,432,055	2,850,000
Anthony Maslin	791,197	3,900,000
Frank Xue	0	0
Eamon Hannon	350,000	3,000,000

(g) **Trading History**

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing Price
Highest Price	10 and 13 June 2016	13 cents
Lowest Price	12 February 2016	5.6 cents
Latest Price	12 October 2016	7.5 cents

(h) **Valuation of Options**

The Options will not be quoted on ASX.

The Company has engaged RSM Australia Pty Ltd to value the Options to be granted to the Directors or their nominees using the binomial option pricing model.

The following assumptions have been made regarding the inputs required for the option pricing model:

Input		Note
Number of Options to related parties	3,600,000	
Underlying security spot price	7.5 cents	1
Exercise price	15 cents	
Dividend rate	0%	2
Volatility rate	100%	3
Risk free rate	1.89%	4
Expiry Date	30 November 2020	

- Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on 12 October 2016 which was 7.5 cents.
- Note 2 A dividend rate of 0% has been assumed as the Company has no history of dividends and is not expected to pay dividends over the life of the Options.
- Note 3 A volatility rate of 100% has been adopted. This rate has been calculated by reference to the volatility of the Company's Shares over the last 1, 2 and 3 years.
- Note 4 The risk free rate is 1.89% based on the Commonwealth Government 5 year bond rate at 12 October 2016.

Based on the above assumptions the Options proposed to be issued to Messrs Cornelius, Maslin, Xue and Hannon have been valued as follows:

Number and Value of Options	
	Options
Seamus Cornelius	800,000 Options – 4.36 cents per Option (total value - \$34,880)
Anthony Maslin	800,000 Options – 4.36 cents per Option (total value - \$34,880)
Frank Xue	800,000 Options – 4.36 cents per Option (total value - \$34,880)
Eamon Hannon	1,200,000 Options – 4.36 cents per Option (total value \$52,320)

(i) **Other Information**

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 6 to 9.

7.3 Listing Rule 10.14

Listing Rule 10.11 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue securities to Directors under Resolutions 6 to 9 as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the securities to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Under Resolutions 6 to 9, the Company seeks approval from Shareholders for the issue of Options to Seamus Cornelius, Anthony Maslin, Frank Xue and Eamon Hannon as Directors who are each related parties of the Company.

For the purposes of Listing Rule 10.15, the following information is provided:

- (a) The Options will be issued to Seamus Cornelius, Anthony Maslin, Frank Xue and Eamon Hannon as Directors.
- (b) The maximum number of Options that will be issued to the related parties is 3,600,000 Options.
- (c) No monetary consideration is payable for the issue of the Options.
- (d) Since the Employee Incentive Plan was approved by Shareholders at the 2015 annual general meeting, the Directors and associates who have received securities under the Employee Incentive Plan are:
 - Seamus Cornelius – 1,200,000 Options (exercise price 12 cents and expiry date 30 November 2019) for nil cash consideration;
 - Anthony Maslin – 1,200,000 Options (exercise price 12 cents and expiry date 30 November 2019) for nil cash consideration;
 - Liu Xing Zhou (a former Director) – 1,200,000 Options (exercise price 12 cents and expiry date 30 November 2019) for nil cash consideration;
 - Eamon Hannon – 2,000,000 Options (prior to becoming a Director) (exercise price 12 cents and expiry date 30 November 2019) for nil cash consideration;
- (e) All the Directors (being Seamus Cornelius, Anthony Maslin, Frank Xue and Eamon Hannon) are entitled to participate in the Employee Incentive Plan.
- (f) No loans will be provided to Directors in respect of the issue of the Options.
- (g) The Options will be issued no later than 12 months after the date of Shareholder approval.

8. RESOLUTION 10 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

8.1 General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("Additional Placement Capacity").

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

8.2 Requirements of Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

(b) **Shareholder approval**

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) **Equity Securities**

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Equity Securities that are quoted on ASX are fully paid ordinary Shares.

(d) **Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity**

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;• plus the number of partly paid shares that became fully paid in the 12 months;• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;• less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(e) **Interaction between Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 88,545,339 Shares on issue as at the date of this Notice. If the Resolutions the subject of this Notice are passed, the Company will be permitted to issue:

- 13,281,801 Equity Securities under Listing Rule 7.1; and
- 8,854,534 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

8.3 Information for Shareholders as required by Listing Rule 7.3A

(a) Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

(b) Risk of economic and voting dilution

If this Resolution is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro-rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		3.75 cents 50% decrease in Issue Price	7.5 cents Issue Price	15 cents 100% increase in Issue Price
Current Variable "A" 88,545,339 Shares	10% Voting Dilution	8,854,534 Shares	8,854,534 Shares	8,854,534 Shares
	Funds raised	\$332,045	\$664,090	\$1,328,180
50% increase in current Variable "A" 132,818,009 Shares	10% Voting Dilution	13,281,801 Shares	13,281,801 Shares	13,281,801 Shares
	Funds raised	\$498,067	\$996,135	\$1,992,270
100% increase in current Variable "A" 177,090,678 Shares	10% Voting Dilution	17,709,068 Shares	17,709,068 Shares	17,709,068 Shares
	Funds raised	\$664,090	\$1,328,180	\$2,656,360

This table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vi) The issue price is 7.5 cents, being the closing price of the Shares on ASX on 12 October 2016.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 21 November 2016 (the date of this Meeting) and expires on the earlier of:

- 21 November 2017, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), continued expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of new assets and investments or for the payment of goods and services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

The Company has previously received Shareholder approval for the Additional Placement Capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months preceding this Meeting is 11,482,418 Equity Securities. These Equity Securities represent 10.27% of the total number of Equity Securities on issue at 21 November 2015 (12 months before this Meeting).
- The details for the issue of Equity Securities issued during the 12 months preceding the date of the Meeting are set out below.

Date of issue:	31 August 2016
Number of Equity Securities:	82,418
Class of Equity Securities and Summary of terms:	Fully paid ordinary shares
Names of persons or basis on which allottees were determined:	The Shares were issued to Mr Peter Geerds in lieu of \$7,500 cash for geological consultancy services (an unrelated party) at the Double Magic Project
Price:	The Shares were issued for no cash consideration.
Discount to market price:	Not applicable.
Current value of the non-cash consideration:	The Company has valued the Shares as at 12 October 2016 at 7.5 cents per Share using a quoted market price valuation as the Shares are listed. Therefore, the current value of the 82,418 Shares is \$6,181.

Date of issue:	19 April 2016
Number of Equity Securities:	50,000
Class of Equity Securities and Summary of terms:	Unlisted Options (exercise price 12 cents, expiry date 30 November 2019)
Names of persons or basis on which allottees were determined:	The Options were issued to employees (being unrelated parties) under the Employee Incentive Plan.
Price:	The Options were issued for no cash consideration.
Discount to market price:	Not applicable.
Current value of the non-cash consideration:	The Company has valued the Options at 12 October 2016 at 4.76 cents per Option. Therefore, the current value of the 50,000 Options is \$2,380.

Date of issue:	1 April 2016
Number of Equity Securities:	4,000,000
Summary of terms:	Unlisted Options (exercise price 12.5 cents, expiry date 31 March 2019)
Names of persons or basis on which allottees were determined:	The Options were issued to Montezuma Mining Ltd (an unrelated party) in accordance with the terms of a Tenement Sale Agreement which together with the grant of a 0.75% gross revenue royalty is the consideration of acquiring 15% of the E09/1985 tenement, taking Buxton's ownership to 100%.
Price:	The Options were issued for no cash consideration.
Discount to market price:	Not applicable.
Current value of the non-cash consideration:	The Company has valued the Options at 12 October 2016 at 4.705 cents per Option. Therefore, the current value of 4,000,000 Options is \$188,200.

Date of issue:	18 December 2015
Number of Equity Securities:	7,350,000
Class of Equity Securities and Summary of terms:	Unlisted Options (exercise price 12 cents, expiry date 30 November 2019)
Names of persons or basis on which allottees were determined:	5,600,000 of the Options were issued to current or former Directors in accordance with Shareholder approval obtained at the 2015 annual general meeting and under the Employee Incentive Plan. 1,750,000 of the Options were issued to employees (being unrelated parties) under the Employee Incentive Plan.
Price:	The Options were issued for no cash consideration.
Discount to market price:	Not applicable.
Current value of the non-cash consideration:	The Company has valued the Options at 12 October 2016 at 4.76 cents per Option. Therefore, the current value of 7,350,000 Options is \$349,860.

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

BUXTON RESOURCES LIMITED
ACN 125 049 550

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**Additional Placement Capacity**" means the capacity to issue Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

"**Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Business Day**" has the same meaning as in the Listing Rules.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**Buxton Resources**" means Buxton Resources Limited (ACN 125 049 550).

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" means the directors of the Company from time to time.

"**Employee Incentive Plan**" means the Buxton Employee Incentive Plan approved by Shareholders at the 2015 annual general meeting.

"**Equity Securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

"**Meeting**" or "**Annual General Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

Option means a right, but not an obligation to purchase a fully paid ordinary share in the capital of the Company

"**Resolution**" means a resolution referred to in the Notice.

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

"**Shareholder**" means a registered holder of a Share.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

ANNEXURE 1 – TERMS OF OPTIONS
(Resolution 5)

1. Each Option entitles the holder to subscribe for one (1) Share.
2. The Options are exercisable at any time prior to 5.00pm WST, 31 March 2019 ("**Expiry Date**") and any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price is 12.5 cents per Share.
4. The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
5. An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of options being exercised (**Exercise Notice**); and
 - (ii) a cheque or electronic funds transfer for the exercise price for the number of Options being exercised;
6. An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
7. Within 10 business days of receipt of the Exercise Notice accompanied by the exercise price, the Company will allot the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
8. The Options are not transferable except with the prior written consent of the Board of Directors of the Company.
9. All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
10. The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 business days after the date of allotment of those Shares.
11. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
12. If the Company makes a pro rata issue (other than a bonus issue), the exercise price of the Options on issue will be changed in accordance with the formula prescribed in the Listing Rules.
13. There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
14. If there is a bonus issue to the holders of Shares, then the number of Shares over which the option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

ANNEXURE 2 – TERMS OF OPTIONS
(Resolutions 6 to 9)

1. Each Option entitles the holder to subscribe for one (1) Share.
2. The Options are exercisable at any time prior to 5.00pm WST, 30 November 2019 ("**Expiry Date**") and any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price is 15 cents per Share.
4. The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
5. An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of options being exercised (**Exercise Notice**); and
 - (ii) a cheque or electronic funds transfer for the exercise price for the number of Options being exercised;
6. An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
7. Within 10 business days of receipt of the Exercise Notice accompanied by the exercise price, the Company will allot the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
8. The Options are not transferable except with the prior written consent of the Board of Directors of the Company.
9. All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
10. The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 business days after the date of allotment of those Shares.
11. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
12. If the Company makes a pro rata issue (other than a bonus issue), the exercise price of the Options on issue will be changed in accordance with the formula prescribed in the Listing Rules.
13. There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
14. If there is a bonus issue to the holders of Shares, then the number of Shares over which the option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

Buxton Resources Limited
ACN 125 049 550
APPOINTMENT OF PROXY

I/We
of

being a shareholder of Buxton Resources Limited and entitled to attend and vote hereby appoint:

the Chair of the Meeting **OR**

(Mark box with an X)

(Insert the name of the person (or body corporate) you are appointing if this person **is someone other than the Chair of the Meeting**. Do not insert your own name.)

or failing attendance at the Meeting of the person named, or if no person is named, the Chair of the Meeting as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the directions on this proxy form or, if no directions have been given and to the extent permitted by law, as the proxy sees fit at the Meeting of Buxton Resources Limited to be held at Steve's Wine Cellar, 30 The Avenue, Nedlands, Western Australia on 21 November 2016 at 12 noon (WST) and at any adjournment or postponement thereof.

Important for Resolutions 1 and 6 to 9

If you appoint a member of the Company's key management personnel (other than the Chairman of the Meeting) or a closely related party of a member of the Company's key management personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 1 and 6 to 9 your proxy will NOT cast your vote on these Resolutions and your votes will not be counted.

If you appoint the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 1 and 6 to 9 your vote will be cast FOR these Resolutions, and you hereby expressly authorise the Chairman of the Meeting to exercise your proxy even though Resolutions 1 and 6 to 9 are connected directly or indirectly with the remuneration of the members of the Company's key management personnel.

IMPORTANT NOTES

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. If the Chair of the Meeting is your proxy (or becomes your proxy by default) and you do not mark a voting box for any of the items of business then by signing and returning this Proxy Form you will be expressly authorising the Chair to exercise your proxy in respect of the relevant items. If you appoint the Chair of the Meeting as your proxy you can direct him/her to vote for or against or to abstain from voting on the items by marking the appropriate box below.

VOTING DIRECTIONS TO YOUR PROXY
ITEMS OF BUSINESS

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Anthony Maslin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Feng (Frank) Xue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of shares issued to Contractor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of options issued to Montezuma Mining Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Options to Seamus Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Options to Anthony Maslin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Options to Feng (Frank) Xue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options to Eamon Hannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the "Abstain" box for an item of business, your votes will not be counted in computing the required majority.

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

%

SIGNATURE OF SHAREHOLDER(S)

Signed this _____ day of _____ 2016.

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Buxton Resources Limited
ACN 125 049 550

INSTRUCTIONS FOR COMPLETING PROXY FORM

LODGEMENT OF YOUR PROXY FORM

This proxy form must be received by 12 noon on 19 November 2016.

Any proxy form (and any Power of Attorney under which it is signed) received after that time will not be valid.

How to complete this proxy form

If you are unable to attend the Meeting, you are encouraged to appoint a person or body corporate who will attend as your proxy and exercise your right to vote your shares. Your proxy does not need to be a shareholder. It may be an individual or a company. Note that if you appoint a body corporate as your proxy, the body corporate should appoint a person as its representative at the Meeting in accordance with section 250D of the Corporations Act. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.

Appointment of a second proxy

If you are entitled to cast two or more votes, you may appoint up to two proxies to attend the Meeting and vote. A separate proxy form should be used for each proxy appointment. An additional proxy form will be supplied on request. If you appoint two proxies you must insert the percentage of votes to be allocated to each proxy in each proxy form. If you do not specify this, each proxy may exercise half of your votes. Fractions of votes are disregarded.

Directing your proxy how to vote

If you wish to direct your proxy how to vote (or to abstain from voting) on any item, place a mark (X) in the "For", "Against" or "Abstain" box for each item. If you mark more than one box on an item, your vote on that item will be invalid. If you mark the "Abstain" box for a particular item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority. If you do not direct your proxy how to vote, your proxy may vote as they choose.

Signing instructions

You must sign this proxy form as follows in the spaces provided.

Individual: Where the holding is in one name, the proxy form must be signed by the shareholder.

Joint holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this proxy form when you return it.

Companies: Where the company has a sole director who is also the sole company secretary, the proxy form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can sign alone. Otherwise the proxy form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a company shareholder or a company proxy is to attend the meeting the appropriate "Appointment of Corporate Representative Form" should be produced prior to admission. This form may be obtained from the Share Register.

Proxy appointments and proxy appointment authorities may be lodged:

BY MAIL	IN PERSON	BY FAX	BY EMAIL
PO Box 661 Nedlands WA 6909	Suite 1, First Floor 14-16 Rowland Street Subiaco WA 6008	+61 8 9467 6111	sam@buxtonresources.com.au