

ASX Release

22nd August 2022

Buxton and IGO enter into 3 interdependent transactions

- **BUX and IGO to amend the existing Merlin Project Joint Venture in the West Kimberley (currently IGO 51% and BUX 49%) by IGO acquiring a further 29% for \$1,000,000 to take it to 80%.**
- **BUX and IGO to enter into a subscription agreement and option over the Narryer Project (WA). IGO to subscribe for BUX shares to take its voting power from its current 15.08% to 19.9%. The total subscription price will be \$1,005,200. IGO will have an option to enter into an earn-in and joint venture agreement over the Narryer Project currently held as to 100% by BUX.**
- **BUX and IGO to enter into an earn-in and joint venture agreement for the Copper Wolf Project (Arizona, USA) currently held as to 100% by BUX. BUX will be reimbursed approximately \$215,000 for expenditure incurred by it.**

Buxton Resources Limited (ASX: BUX) ("Buxton" or "the Company") is pleased to announce that the Company or its subsidiaries has entered into transaction documents for 3 interdependent transactions with IGO Limited (IGO) or its subsidiaries. Buxton and IGO already have a deep commercial and technical relationship with four active Joint Ventures in the Fraser Range and West Kimberley regions of Western Australia (see Figure 1).

Significantly, IGO is already Buxton's largest shareholder currently holding 15.08% of Buxton's ordinary shares. The 3 interdependent transactions, being the Merlin Project Joint Venture Amendment, Narryer Project Transaction and the Copper Wolf Project Transaction (together, the **IGO Transactions**) are summarised below, with the material terms set out in Appendix 2.

Under Listing Rule 10.1, an ASX listed entity is not permitted to dispose of a substantial asset to various parties, including a substantial holder of the entity, without shareholder approval. IGO is a substantial holder of BUX under Listing 10.1.3 as it has a relevant interest in more than 10% of the voting securities in Buxton. Accordingly, Buxton will seek approval of the relevant aspects of the IGO Transactions at an Extraordinary Meeting of Shareholders ("EGM") to be held as soon as practicable. Shareholders will be provided with an Independent Expert's Report on the IGO Transactions as to whether the transactions are fair and reasonable to non-associated shareholders.

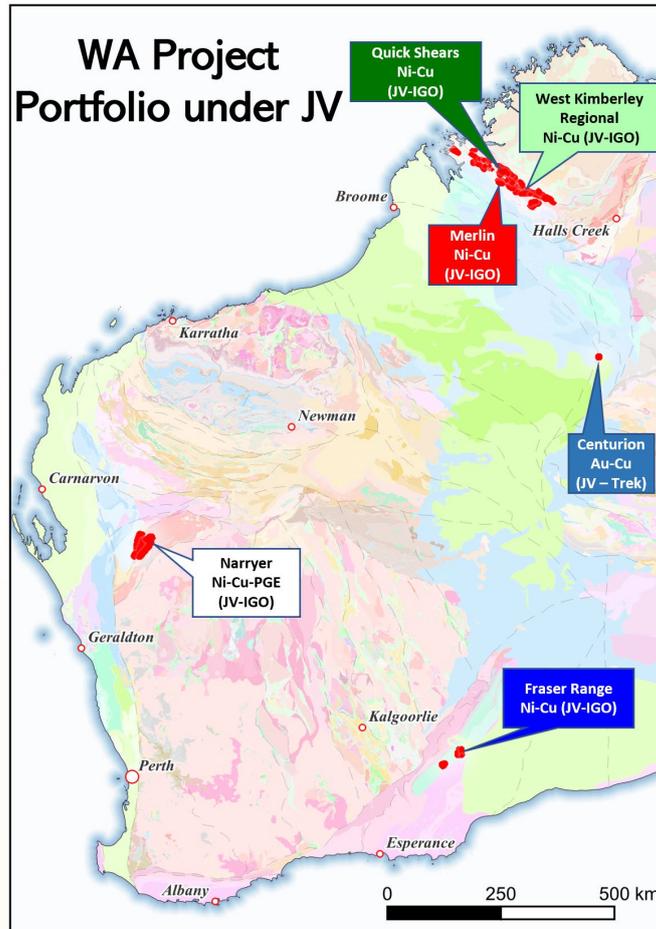


Figure 1: Buxton's Western Australia Projects under Joint Venture

Transaction 1 - Merlin Project Joint Venture Amendment

Buxton's 2015 discovery of high-grade primary magmatic sulphides at the Merlin Project confirmed better than economic grades and thicknesses for the first time in the region. Widespread, near-surface >1% Ni sulphide mineralisation was intersected, with >3% Ni assays returned from three separate targets within the 3 km² Merlin prospect area (see ASX release 27/11/2015).

Buxton and IGO announced Joint Venture Agreements for the Merlin and West Kimberley Regional Project in November 2018 (see ASX release 29/11/2018, Figure 2). Since that time IGO has undertaken a substantial exploration program (see ASX releases 02/10/2019, 01/05/2020, 11/06/2020, 13/10/2020 & 29/10/2020) with an additional Joint Venture Agreement struck on the Quick Shears Project.

This Transaction constitutes an Amendment to the existing Merlin Project Joint Venture Agreement whereby IGO agrees to pay Buxton \$1,000,000 to acquire a further 29% joint venture interest in lieu of IGO incurring the remainder of in-ground earn-in expenditure (as required by the restructured Merlin JV agreement detailed in ASX release 24/01/2020). Once completed the Joint Venture interests will be IGO 80% and Buxton 20%, with Buxton remaining free carried until completion of a feasibility study.

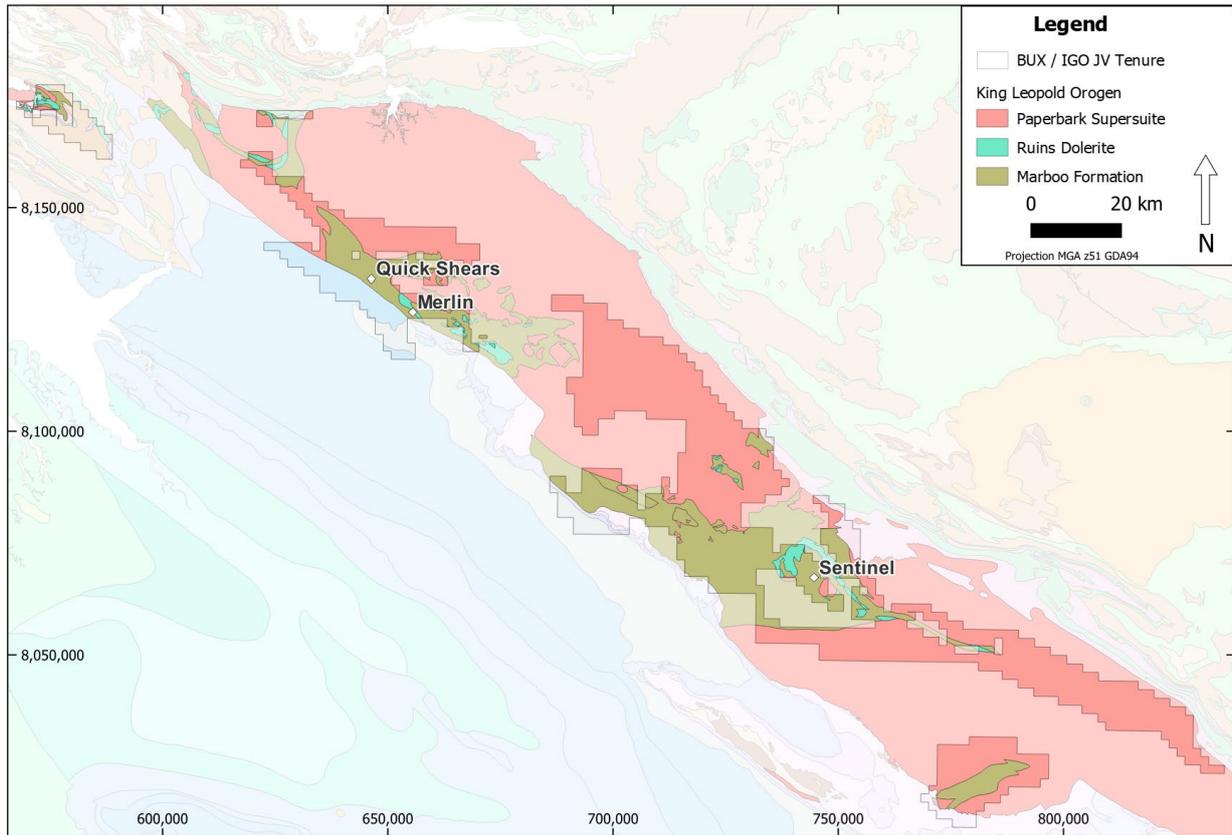


Figure 2: Buxton / IGO Tenure in the West Kimberley Region showing belt scale extent of the combined Merlin, Quick Shears and West Kimberley Regional JVs.

Transaction 2 - Narryer Project Subscription Agreement, Option Agreement and Earn-In and Joint Venture Agreement

The Narryer terrain forms part of the Western Yilgarn margin which hosts the world class Julimar Ni Cu PGE resource discovered by Chalice Mining in March 2020. The recent discovery highlights the unrealised potential of the Western Yilgarn Margin, which includes the Narryer Terrain. The presence of numerous occurrences of Ni Cu PGE mineralisation along the 500 km strike length further emphasizes the high-class pedigree of this emerging province where Buxton holds 100% of over 1,800 km² of contiguous tenure - see Figure 3.

This Transaction consists of a Subscription Agreement and Option Agreement and a separate Earn-In and Joint Venture Agreement. By the Subscription and Option Agreement, IGO agrees to subscribe for the number of shares in Buxton to take its voting power from its current 15.08% to 19.9% (a further 4.82%). The subscription price is 11.2 cents per Buxton share with the total subscription amount being \$1,005,200 based on issuing 8,975,000 Buxton shares.

Out of the subscription proceeds Buxton will spend a minimum of \$450,000 on an airborne EM survey and ground follow-up over priority areas of the Narryer group of tenements. A contract has already been awarded for this survey (see ASX 23/03/2022) which is currently scheduled for acquisition in late August 2022.

Buxton will grant IGO an exclusive option to enter into an Earn-In and Joint Venture Agreement for a period of 3 months from IGO receiving the airborne EM survey data and ground follow-up program reports. By the Earn-In and Joint Venture Agreement (upon exercise of the option), IGO may earn a 51% interest in the Narryer tenements by spending \$3,000,000 within a 3-year period. Upon IGO incurring the \$3,000,000 of earn-in expenditure and electing to exercise the earn-in, Buxton and IGO will form an unincorporated Joint Venture with the interests being IGO 51% and Buxton 49%.

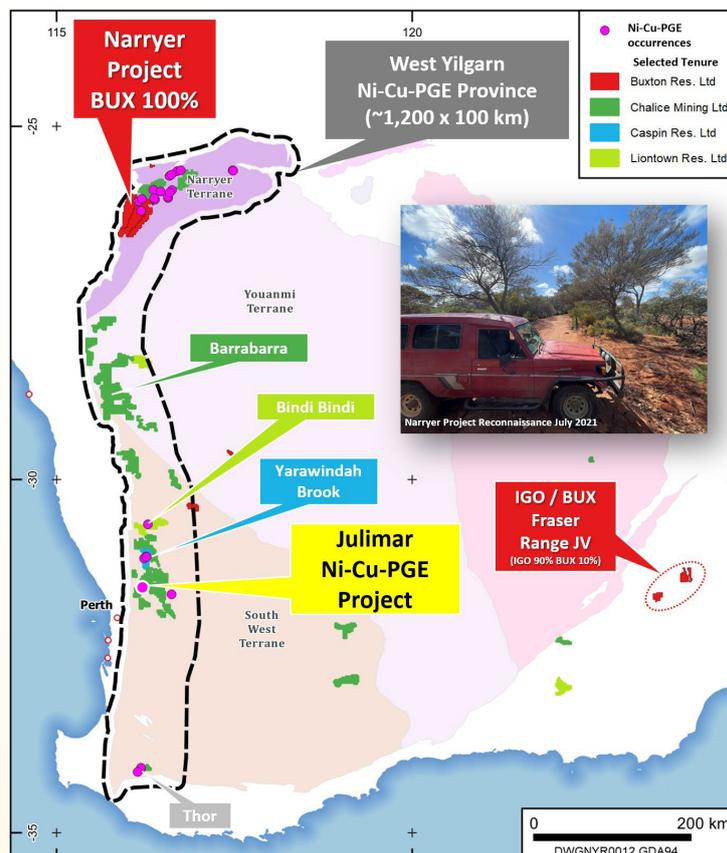


Figure 3: Buxton's Narryer Project in relation to the West Yilgarn Ni-Cu-PGE Province

Transaction 3 - Copper Wolf Project Earn-In and Joint Venture Agreement

The Copper Wolf Project hosts a large Co-Mo enriched Laramide porphyry system extending over an area of approximately 12 km² in Arizona, USA (see Figure 4). The Copper Wolf Project was acquired as to 100% by Buxton's wholly owned subsidiary, Buxton Resources Arizona LLC. Over 35 km of historical drilling has been completed at Copper Wolf with historical estimates confirming the presence of widespread porphyry style system with substantial copper and molybdenum endowment and with high grade supergene enriched zones up to 50 metres thick (see ASX 25/10/2021).

Similar Laramide-age porphyries in adjacent parts of the western USA and northern Mexico host super giant, world-class porphyry copper and molybdenum deposits such as the Resolution, Bagdad, Inspiration, Miami and Morenci deposits in Arizona, the Bingham Canyon deposit in Utah, and the Cananea and La Caridad deposits in Mexico.

Under this Agreement, IGO has an exclusive right to earn a 51% interest in the Copper Wolf tenements by sole funding expenditure totalling \$350,000 within 2 years (Stage 1 earn-in). Upon IGO incurring the \$350,000 earn-in expenditure, it may elect to earn-in and form an unincorporated joint venture with the interests being IGO 51% and Buxton 49%.

IGO may elect to earn-in to a further 19% by sole funding \$5,000,000 within a further 3 year period (Stage 2 earn-in).

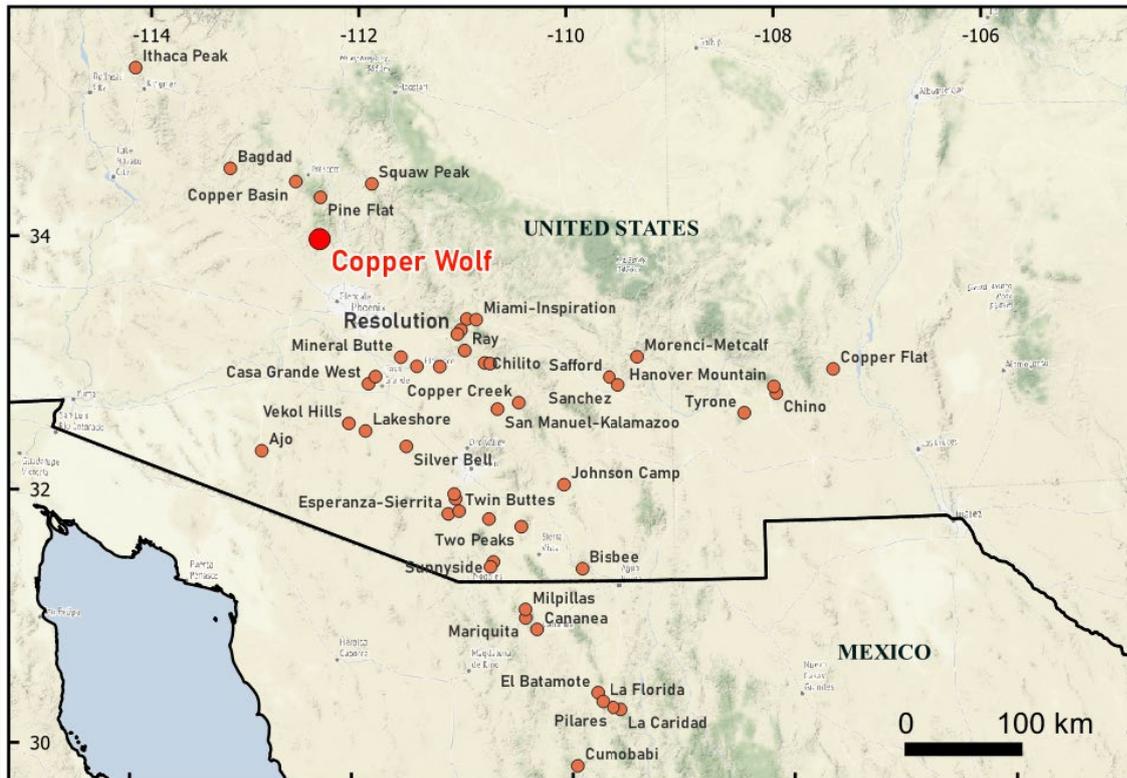


Figure 4: The Laramide porphyry copper belt in the southwest USA and northern Mexico.

A Notice of General Meeting will be issued to shareholders imminently, with resolutions relating to these Transactions including an Independent Experts Report. This meeting is expected to be held in late September/early October.

The Buxton Board will recommend that shareholders vote in favour of the transactions at the EGM.

This ASX release has been approved for release by Eamon Hannon on behalf of the Board of Directors.

For further information, please contact:

Eamon Hannon
 Managing Director
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Sam Wright
 Company Secretary
sam@buxtonresources.com.au

Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Mr Eamon Hannon, Fellow of the Australasian Institute of Mining and Metallurgy, and Mr Martin Moloney, Member of the Australian Institute of Geoscientists. Mr Hannon and Mr Moloney are full-time employees of Buxton Resources. Mr Hannon and Mr Moloney have sufficient experience which is relevant to the activity being undertaken to qualify as a "Competent Person", as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hannon and Mr Moloney consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Appendix 1.0 - Tenement schedule

Merlin Project Tenure

Tenement ID	Status	Holder
E04/1533	LIVE	Alexander Creek Pty Ltd
E04/2026	LIVE	Alexander Creek Pty Ltd
E04/2142	LIVE	Alexander Creek Pty Ltd

Narryer Project Tenure

Tenement ID	Status	Holder
E09/2427	Live	Buxton Resources Ltd
E09/2428	Live	Buxton Resources Ltd
E09/2429	Live	Buxton Resources Ltd

Copper Wolf Project Tenure

Tenement ID	Type	Status	Holder
SM-01 to SM-49 (inclusive) CW-50 SM-51 to SM-54 (inclusive)	BLM Lode Mining Claim	Live	Buxton Resources Arizona LLC
MEP 008-121028 MEP 008-123390	ASLA Mineral Exploration Permit ASLA Mineral Exploration Permit	Live Application	Buxton Resources Arizona LLC Buxton Resources Arizona LLC

Appendix 2.0 - Material Terms of the IGO Transactions

Merlin Project Joint Venture Amendment

On 19 August 2022 IGO, IGO Newsearch Pty Ltd (INPL), Alexander Creek Pty Ltd (ACPL) and BUX entered into a variation of the Merlin Joint Venture Agreement.

By this variation agreement, the parties have agreed to vary the Merlin Joint Venture Agreement (effective upon completion occurring under the Subscription Agreement for the Narryer Project Transaction) so that INPL may earn its further 29% joint venture interest (to take it to 80%) by paying \$1,000,000 to ACPL in lieu of INPL incurring the remainder of the \$5,000,000 of in-ground earn-in expenditure. The remaining in-ground expenditure under the current agreement is approximately \$3,700,000.

The \$1,000,000 to earn the further 29% is to be paid by INPL to ACPL contemporaneously with completion under the Subscription Agreement.

The Merlin Joint Venture Agreement otherwise remains the same so that an 80/20 joint venture will be formed upon INPL earning the further 29%. ACPL's 20% joint venture interest will be free carried until completion of a feasibility study.

Narryer Project Transaction

(a) Subscription Agreement and Option – Narryer Project

On 19 August 2022, BUX, IGO and INPL entered into a subscription agreement for the Narryer Project.

By the subscription agreement, IGO agrees to subscribe for the number of Shares in BUX to take its voting power from its current 15.08% to 19.9%. The number of Shares is 8,975,000 assuming the director and management placement shares to be put to shareholders at the EGM are approved and issued. The subscription price will be 11.2 cents per Buxton share. The total subscription amount based on 8,975,000 shares is \$1,005,200.

The conditions precedent to completion, which must be satisfied or waived prior to 15 October 2022 are:

- (1) BUX obtaining shareholder approval, including under Listing Rule 10.1 for the disposal of substantial assets under the IGO Transactions; and
- (2) the conditions precedent to the Copper Wolf Project Transaction and the Merlin Project amendment are satisfied or waived.

BUX is obliged to spend at least \$450,000 of the subscription amount on an airborne electromagnetic survey across the Narryer Project Tenements followed by ground follow-up using geochemical sampling and geological mapping to generate target areas. BUX as project manager is to complete a survey program report within 2 years of the date of the agreement.

Upon completion and until 3 months from IGO receiving the survey program report, BUX grants to INPL the exclusive right and option to enter into an earn-in and joint venture agreement for the Narryer Project.

BUX is project manager of exploration activities during the earn-in option period with a technical committee of 2 members of BUX and 2 members of the IGO companies receiving project data and agreeing the initial programs.

The terms of the subscription agreement is otherwise in standard style for such an agreement.

(b) Narryer Project Earn-in and Joint Venture Agreement (upon exercise of Option)

Upon INPL exercising the Option under the subscription agreement, INPL and BUX will enter into an earn-in and joint venture agreement in respect of the Narryer Project Tenements.

By this agreement, BUX grants to INPL the exclusive right to explore the Narryer Project Tenements for 3 years after commencement of the agreement. INPL may earn a 51% interest

in the Narryer Project Tenements by incurring and sole funding \$3,000,000 (including the initial expenditure referred to below) of exploration expenditure during this 3 year period.

To meet such an earn-in requirement, IGO must incur initial expenditure of \$250,000 in the first 18 months after commencement of the agreement.

Subject to completing this minimum commitment during the first 18 month period, INPL may withdraw from the agreement by giving BUX 30 days notice to withdraw.

Upon INPL incurring the \$3,000,000 earn-in expenditure, it may elect to earn-in and form a 51% INPL/49% BUX unincorporated joint venture.

INPL may elect to pay BUX a shortfall payment representing the difference between earn-in expenditure required and actual expenditure so as to satisfy the earn-in obligation.

INPL will be the initial manager of the joint venture.

An operating committee will be formed where the parties will vote in accordance with their percentage interest in the joint venture.

The terms of the joint venture are in standard style terms and subsequent changes in joint venture interests may be effected by:

- (a) dilution by a failure to contribute to joint venture expenditure (once it is a contributing joint venture);
- (b) if a party dilutes to less than a 10% joint venture interest, their interest is converted to a 1% net smelter royalty;
- (c) a buy-out mechanism in respect of a defaulting joint venturer; and
- (d) a failure to contribute upon a decision to mine may lead to a buy/sell transaction at fair market value.

Copper Wolf Transaction

On 19 August 2022 INPL (as a wholly owned subsidiary of IGO), BRAL (as a wholly owned subsidiary of BUX) and BUX entered into an earn-in and joint venture agreement in respect of the Copper Wolf Tenements.

By this agreement, INPL has an exclusive right to earn a 51% interest in the Copper Wolf Tenements by incurring and sole funding \$350,000 of exploration expenditure in a 24 month period from the effective date (stage 1 earn-in). The effective date commences on the date all the conditions precedent are satisfied or waived. Over the last six months, Buxton has undertaken permitting and stakeholder engagement to support an airborne magnetics survey which has now been completed. Of the \$350,000 earn-in expenditure, approximately \$215,000 is intended to be the subject of a cash call by BRAL. This will represent reimbursement of prior exploration expenditure incurred by BRAL.

The agreement is subject to conditions precedent which must be satisfied or waived by 15 October 2022. The conditions precedent are:

- (1) BUX obtaining shareholder approval, including under Listing Rule 10.1 for the disposal of substantial assets under the IGO Transactions; and
- (2) the conditions precedent to the Narryer Project Transaction are satisfied or waived.

INPL may withdraw from the agreement at any time prior to earning an interest in the Copper Wolf Tenements by giving BRAL 30 days notice to withdraw.

Upon INPL incurring the \$350,000 earn-in expenditure, it may elect to earn-in and form a 51% INPL/49% BRAL unincorporated joint venture.

During the earn-in period, BRAL will be the project manager.

INPL will be the initial manager of the joint venture.

An operating committee will be formed where the parties will vote in accordance with their percentage interest in the joint venture.

Within 6 months of the commencement of the joint venture, INPL has the exclusive right to elect to earn a further 19% joint venture interest (to take its joint venture interest to 70%) by sole funding exploration expenditure of \$5,000,000 over 3 years (stage 2 earn-in).

For each of stage 1 and stage 2 earn-in, INPL may elect to pay BRAL a shortfall payment representing the difference between earn-in expenditure required and actual expenditure so as to satisfy the relevant earn-in obligation.

For a 5 year period from the date of the agreement, each of BRAL and BUX commit to bring all copper projects it secures or generates in Arizona to INPL by way of a right of first refusal.

The terms of the joint venture are in standard style terms and subsequent changes in joint venture interests may be effected by:

- (a) dilution by a failure to contribute to joint venture expenditure (once the joint venture is in a contributing venture phase);
- (b) if a party dilutes to less than a 10% joint venture interest, their interest is converted to a 1% net smelter royalty;
- (c) a buy-out mechanism in respect of a defaulting joint venturer; and
- (d) a failure to contribute upon a decision to mine may lead to a buy/sell transaction at fair market value.

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