

Buxton's Double Magic Exploration Success Secures Partnership with Independence Group (IGO)

- **IGO subscribes to 15% of Buxton Resources ordinary shares at 20c per share, representing a 35.2% premium to market to raise \$4M**
- **Buxton grants a 24-month option period for IGO to enter into an Earn in and Joint Venture at Merlin/Double Magic, where;**
 - **BUX is free carried through to completion of Feasibility**
 - **IGO to spend \$8M over 4 years to earn 70%**
- **Buxton and IGO enter into a regional Earn-In and Joint Venture agreement on the West Kimberley tenements outside of the Merlin/Double Magic prospect where;**
 - **BUX is free carried through to completion of Feasibility**
 - **IGO to spend \$3M over 4 years to earn 80%**
 - **IGO to reimburse BUX \$600k for exploration costs to date**
- **IGO to underwrite any rights issue by Buxton within 12 months of execution of agreement**

Buxton Resources Limited (ASX:BUX; Buxton) advises the market that it has entered into binding agreements with Independence Group NL (ASX:IGO) to dramatically advance and accelerate the exploration of the Merlin/Double Magic prospect and the greater West Kimberley tenement position.

IGO has subscribed to 15% of Buxton's capital structure via the placement of 20,408,315 ordinary shares at 20 cents per share representing a 35.2% premium to the 20-day VWAP. This will raise approximately \$4M for Buxton. Proceeds will be used to fund the next round of exploration at the Merlin prospect and other work.

In addition, Buxton has granted IGO a 24-month option, whereby IGO can earn in and ultimately achieve a 70% JV interest in the Double Magic/Merlin prospect by spending AUD \$8,000,000 (exclusive of GST) over a four (4) year period. Buxton will then be free carried to completion of Feasibility.

An additional agreement has been reached between Buxton and IGO where IGO can earn in and ultimately achieve an 80% interest in Buxton's regional tenement land position in the West Kimberley (i.e. outside of the Double Magic/Merlin project area) via an expenditure of AUD \$3,000,000 (exclusive of GST) over a four (4) year period. Once the 80% interest has been achieved, Buxton will be free carried to completion of Feasibility.

The definition of Feasibility has been detailed within the agreements that it would equate to a document that could be used for project financing.

As part of the agreements, IGO have committed to Buxton to underwrite any rights issue to the value of \$2,280,000 within 12 months of the execution date of the agreements.

Eamon Hannon said, “Buxton shareholders should be well pleased that Independence Group with their great technical people and drive for exploration success has partnered with Buxton in the West Kimberley. For the last four years Buxton has technically de-risked a new highly prospective geological province in Western Australia and with the technical and financial support from IGO, exploration success can occur at a far greater pace than what Buxton would achieve on its own. This level of industry support is testament to the great work the small Buxton team has done and the quality of the projects.”

A technical committee will be created with representation from both IGO and Buxton to define the next drilling and geophysical programs at Merlin. Buxton will continue to manage the Merlin prospect exploration whilst IGO will undertake management of the West Kimberley regional exploration.

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