

ANNUAL REPORT
EXPLORATION LICENCE 7973

5th April, 1995
to
4th April, 1996

Licensee: Ashton Mining Limited

Operator: Ashton Mining Limited

Sheet Reference: 1:250,000 Mount Young (SD 53-15)

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SUMMARY

During the period 5th April, 1995 to 4th April, 1996, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), carried out an exploration programme over Exploration Licence 7973. This report provides details of work undertaken on the licence during the reporting period.

A gravel sampling programme was undertaken in the third year of the licence. Two gravel samples were collected. Both samples were negative.

Outstanding sample results from the last reporting period became available and all six samples returned negative results.

Ashton Mining will not be undertaking any further diamond exploration on this title. BHP Minerals joint ventured into the tenement on the 1st March, 1996 under the McArthur River Joint Venture - Metals agreement but as yet have not undertaken any exploration work.

Exploration expenditure for the reporting period amounted to \$3,866 against a covenant of \$25,500.

KEYWORDS

Diamond exploration; Gravel sampling

LOCATION:

Mount Young (SD53-15); Tawallah Range (6066)

1.0 INTRODUCTION

Exploration Licence 7973 was granted to Ashton Mining Limited on 5th April, 1993, for a period of six years. The licence covers an area of 18 blocks (57.78 sq km) and is located on the Mount Young (SD 53-15) 1:250,000 map sheet. A tenement location map is shown in Figure 1. The target for exploration within this licence is diamond bearing kimberlitic intrusives.

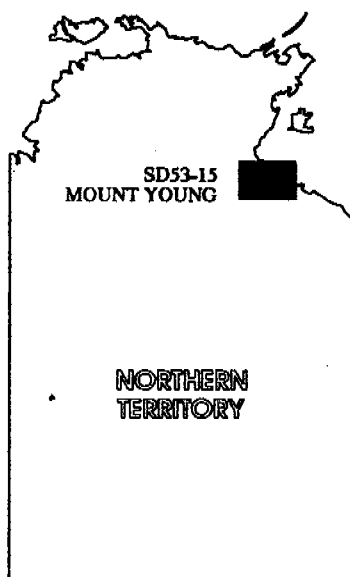
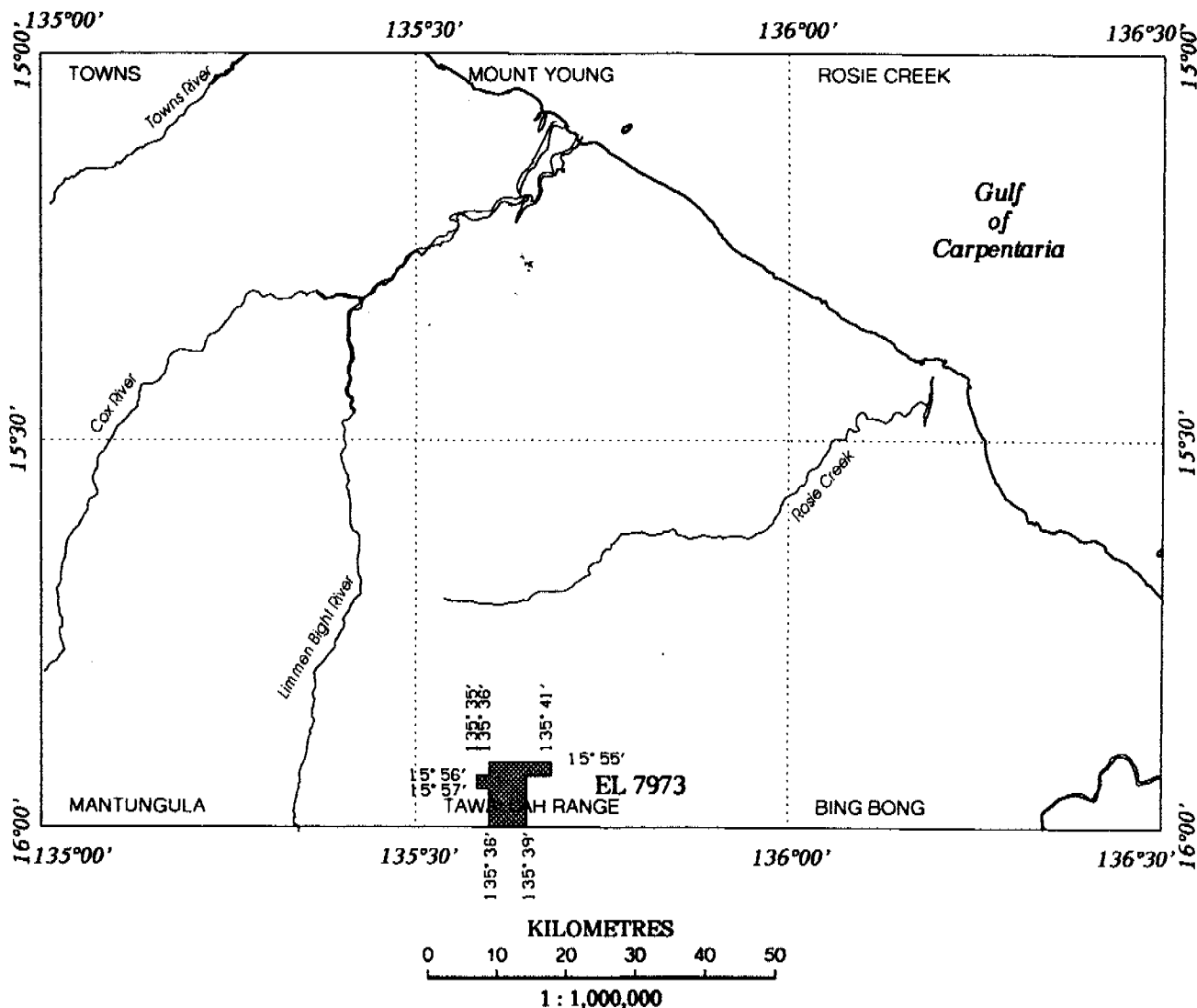
On the 1st March, 1996 BHP Minerals joint ventured into this tenement under the McArthur River Joint Venture - Metals agreement. BHP have not yet undertaken exploration work in EL 7973.

This report provides a summary of work undertaken by Ashton Mining during the reporting period 5th April, 1995 to 4th April, 1996. A statement of expenditure is included in this report.

2.0 EXPLORATION PROGRAMME AND RESULTS

2.1 Data Review

Prior to commencing field work, a data review of results and previous exploration in the tenement area was undertaken. Proposed gravel sample locations were then selected and plotted in the office on the Tawallah Range 1:100,000 map sheet.



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**EXPLORATION LICENCE 7973
FIGURE 1
LOCATION MAP**

APRIL, 1996

2.2 Gravel Sampling

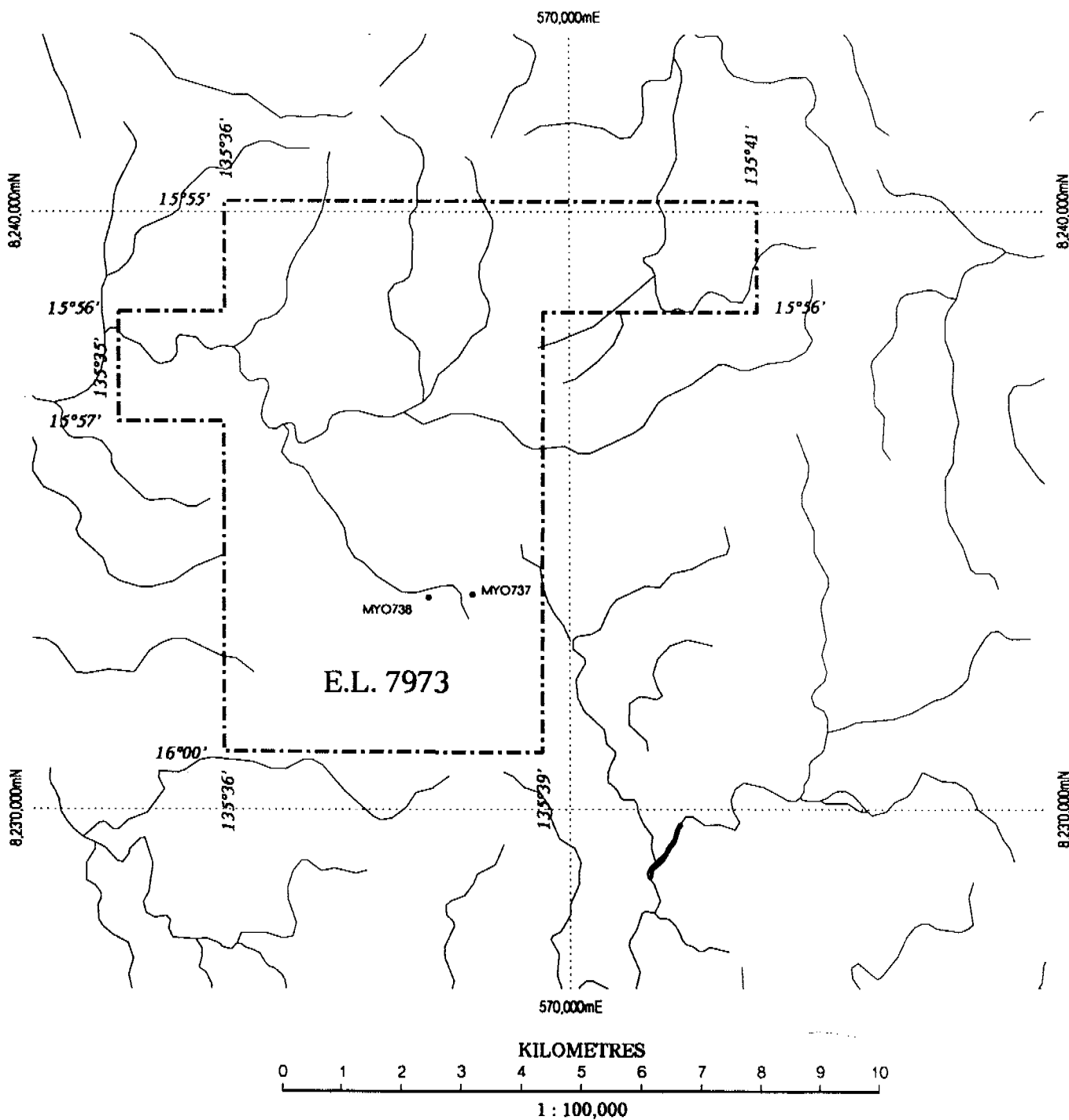
During the third year of the licence, Ashton implemented a gravel sampling programme. A total of two gravel samples were collected and forwarded to Ashton's Perth laboratory for analysis. Both samples returned negative results. Results can be found in Appendix 1 and sample locations are shown in Figure 2.

Outstanding results of samples taken from the previous reporting period became available. All six samples returned negative results. A sample listing can be found in Appendix 1. Sample locations are shown on Figure 2 of the previous (1995) annual report.

2.3 Laboratory Procedure

The samples are processed by the Ashton Mining Limited Laboratory in Perth, where they are concentrated by Wilfley Table and heavy liquid separation techniques.

The heavy liquid used is tetrabromethane with a specific gravity of 2.96. The concentrates are then screened into various size fractions, further concentrated by magnetic and electrostatic separation techniques and a comprehensive grain by grain examination carried out on the minus 1.0mm plus 0.425mm fractions.



- Sample - not yet processed
- Sample - negative
- ◆ Sample - chromite positive
- ◇ Sample - diamond positive
- ⊕ Sample - other indicators
- ⊗ Drill hole location

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**FIGURE 2
SAMPLE LOCATIONS**

APRIL, 1996

3.0 EXPLORATION EXPENDITURE

Exploration expenditure for the period 5th April, 1995 to 4th April, 1996 amounted to \$3,866 against a covenant of \$25,500. A detailed breakdown of expenditure is given in Appendix 2.

4.0 CONCLUSIONS AND RECOMMENDATIONS

As results proved discouraging, no further diamond exploration is to be undertaken on the exploration licence.

5.0 PROPOSED PROGRAMME AND BUDGET

The proposed programme and budget, to be undertaken by BHP Minerals, for the period 5th April, 1996 to 4th April, 1997 is as follows:

1. Airborne electromagnetic survey.
2. Follow-up of any anomalies with moving loop ground TEM.
3. Drill test any targets arising from geophysical work.

30 line km a \$50/km	1,500
Moving loop ground TEM typically \$5000/site	5,000
Processing and interpretation of geophysical data	3,200
Salaries, overheads and field support costs	4,000
	<hr/>
	\$ 13,700
	<hr/>

6.0 REFERENCES

Reddicliffe, T H (May-1995) Annual report, Exploration Licence 7973, 5th April, 1994 to 4th April, 1995. Ashton Mining Limited. Report No.51110.

Ong, N (Jun-1995) Relinquishment report, Exploration Licence 7973, 5th April, 1993 to 4th April, 1995. Ashton Mining Limited. Report No.51130.

APPENDIX 1

Sample Results

EL 7973 RESULTS

Sample	Type	Result	Diamonds		Chromite
			Macro	Micro	
MYO00704	G	neg	-	-	-
MYO00705	G	neg	-	-	-
MYO00706	G	neg	-	-	-
MYO00709	G	neg	-	-	-
MYO00710	G	neg	-	-	-
MYO00711	G	neg	-	-	-
MYO00712	G	neg	-	-	-
MYO00737	G	neg	-	-	-
MYO00738	G	neg	-	-	-

NOTE: G = Gravel sample

APPENDIX 2

Statement of Expenditure

STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 7973

for the period
5th April, 1995 to 4th April, 1996

Geoscientist/Professional	290
Field Support/Office Staff	1,550
Freight/Storage	72
Helicopter Charter	638
Laboratory	965
Sub-Total	<hr/> 3,515
10% Overheads	351
TOTAL:	<hr/> \$ 3,866 <hr/>