

OPEN FILE

ANNUAL REPORT

EXPLORATION LICENCE 7261

"Nyanantu"

24th May, 1995 to 23rd May, 1996

Licensee: Ashton Mining Limited

Operator: Ashton Mining Limited
BHP Minerals

Sheet Reference: 1:250,000 Mount Young (SD53-15)

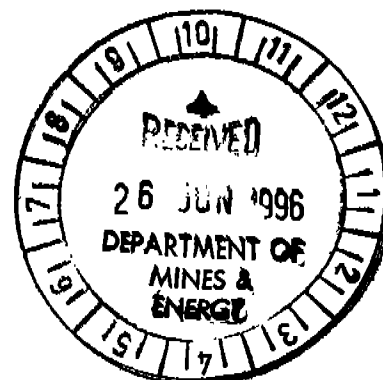
Project: Towns

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Ashton Mining Library

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June, 1996
Report Number: 51373

CR96/489

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SUMMARY

During the period between 24th May, 1995 to 23rd May, 1996, Ashton Mining Limited, through the Australian Diamond Exploration Joint Venture (ADE JV), and BHP Minerals, through the McArthur River (Metals) Joint Venture, carried out exploration activities on EL 7261. This report provides details of the work undertaken for the Nathan River project during this reporting period.

During the reporting period, Ashton's exploration program consisted of regional reconnaissance stream gravel samples. A total of six gravel samples were collected and sent to Ashton's Perth Laboratory. All samples reported negative results.

BHP Minerals withdrew from EL 7261 under the terms of the McArthur River (Metals) Joint Venture agreement on the 28th February, 1996. No base metal exploration work is reported here as a base metal exploration final report will be lodged with the Department of Mines and Energy by BHP Minerals. However the base metal exploration expenditure is included in the expenditure statement for the current reporting period.

Exploration expenditure for the reporting period amounted to \$ 97,203 against a covenant of \$40,000.

KEYWORDS:

Diamond exploration, Base metal exploration, Gravel sampling

LOCATION:

Mt Young (SD53-15); Towns (5967); Mt Young(6067)

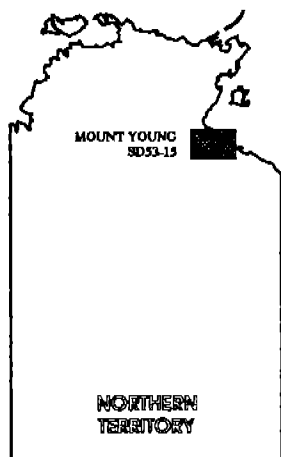
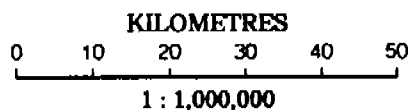
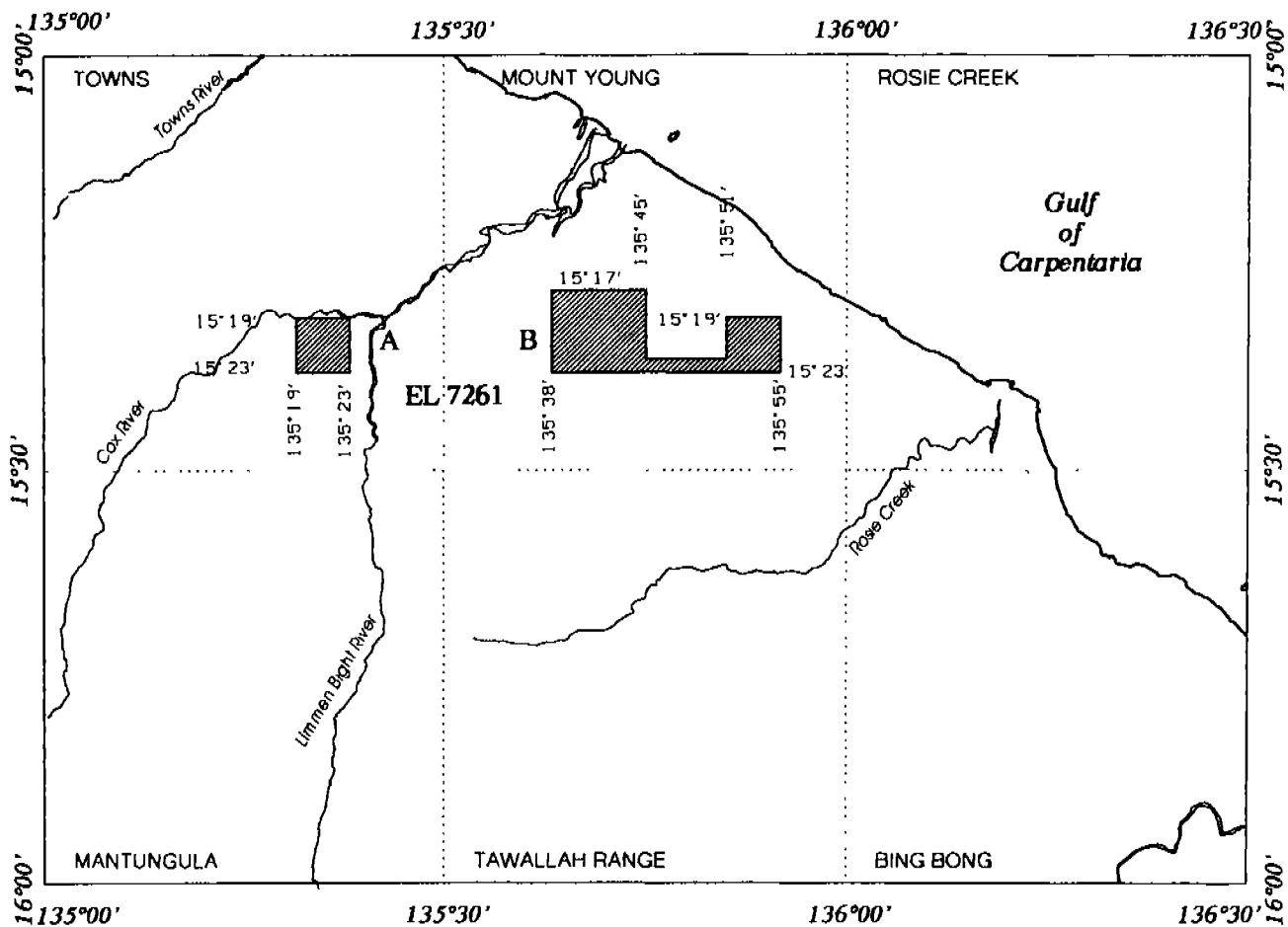
1.0 INTRODUCTION

This report details exploration activities carried out by Ashton Mining Limited over Exploration Licence 7261 for the period 24th May, 1995 to 23rd May, 1996. Ashton Mining Limited is manager of the licence on behalf of the Australian Diamond Exploration Joint Venture (ADE JV). Participants of the ADE Joint Venture also include Aberfoyle Resources Limited and Australian Diamond Exploration NL (ADEX).

Exploration Licence 7261 was granted to Ashton Mining Ltd on the 24th May, 1991 for a period of 6 years. The original area of the licence was 470 blocks but after statutory relinquishments the current licence area has been reduced to 80 blocks or 256.8 km². The tenement is located on the Mt Young 1:250,000 map sheet (Figure 1).

The target for exploration by the ADE JV within the licences is diamond bearing kimberlitic intrusives and the principal exploration technique employed has been regional stream gravel sampling.

As these tenements are situated in what is a recognised base metal province, a joint venture was negotiated with BHP Minerals Pty Ltd on the 24th January, 1992 which allowed them to earn up to 80% of the base metal rights to EL 7261. This joint venture was known as the McArthur River Joint Venture. The agreement was renegotiated and all existing joint venture tenements became subject to the McArthur River (Metals) Joint Venture on the 1st July, 1995.



**ASHTON MINING LIMITED
A.D.E. JOINT VENTURE**

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FIGURE 1
LOCATION MAP**

MAY, 1996

On the 28th February, 1996 BHP Minerals withdrew from this tenement under the terms of the joint venture agreement. A final report on the base metal exploration work will be lodged with the Department of Mines and Energy by BHP Minerals. Therefore no base metal exploration is recorded within this report. However base metal exploration expenditure incurred during the current reporting period is included in the enclosed expenditure statement.

2.0 EXPLORATION PROGRAMME AND RESULTS

2.1 Gravel Sampling Programme

A regional reconnaissance gravel sampling programme was undertaken during the reporting period. A total of six gravel samples were collected and sent to Ashton's Perth laboratory for heavy mineral analysis. Sample locations are shown in Plan 1 and a detailed list of results appears in Appendix 1.

All samples returned negative results.

2.2 Geophysics

The Northern Territory Geological Survey aeromagnetic data over this area was reassessed inhouse. As a consequence, the bullseye magnetic anomaly at AMG coordinates 575250E, 8303900N, on the Mount Young 1:100,000 map was further defined and chosen as a drill target for the next period. For further details see report number 50763 (1992).

2.3 Laboratory Procedure

All 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.

3.0 EXPLORATION EXPENDITURE

Exploration expenditure for the period 24th May, 1995 to 23rd May, 1996 amounted to \$97,203. A detailed breakdown of expenditure is given in Appendix 2.

4.0 CONCLUSIONS AND RECOMMENDATIONS

Further work is warranted over the magnetic anomaly and drill testing is recommended for the next reporting period.

5.0 PROPOSED PROGRAMME AND BUDGET

The proposed programme and budget for the period 24th May, 1996 to 23rd May, 1997 is given below.

1. Drill testing of magnetic target and follow-up as required.

Geoscientist/Professional	3,000
Field Support/Office Staff	2,000
Other Contractors	500
Travel/Accommodation/Meals	1,500
Field Supplies	500
Equipment Hire	1,000
Vehicles	500
Laboratory	2,000
Drilling	4,000
	<hr/>
	\$ 15,000
	<hr/>

6.0 REFERENCES

Combined annual report EL 7261, 7262, 7263, 7264, 7266, 7301, 24th May, 1991 to 23rd May, 1992 (Jun-1992). Ashton Mining Ltd. Report No.50763

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APPENDIX 1

Sample Results

EL 7261 RESULTS

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Sample	Type	Result	Lab_wt(kg)	Diamonds Macro	Micro	Chromite	Other
MYO00795	G	neg	51	-	-	-	-
MYO00798	G	neg	43.4	-	-	-	-
MYO00801	G	neg	11.8	-	-	-	-
MYO00804	G	neg	13.8	-	-	-	-
MYO00806	G	neg	27.8	-	-	-	-
MYO00816	G	neg	31.2	-	-	-	-

NOTE: G = Gravel sample

APPENDIX 2

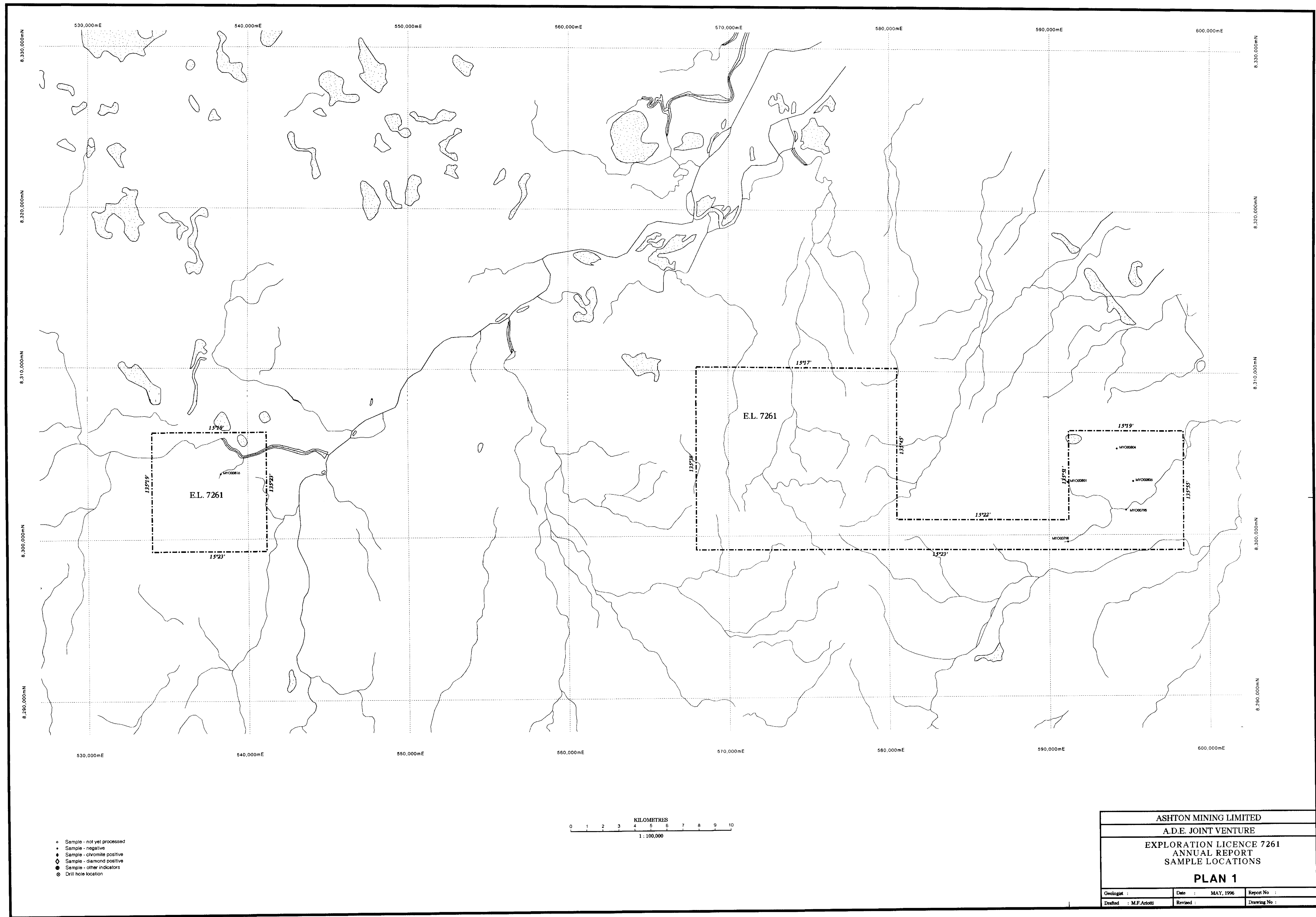
Statement of Expenditure

STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 7261

For the period
24th May, 1995 to 23rd May, 1996

Geoscientist/Professional	13,460
Field Support/Office Staff	3,668
Other Contractors	275
Travel/Accommodation/Meals	589
Field Supplies	34
Equipment Hire	2,420
Vehicles	1,103
Freight/Storage	528
Helicopter Charter	3,997
Geophysics	2,641
Laboratory	4,647
Drafting/Computing	68
Drilling	53,999
Geochemistry	588
Office Expenses	264
Other	86
Sub-Total	<hr/> 88,367
10% Overheads	8,836
Total:	<hr/> <hr/> \$ 97,203



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

0 1 2 3 4 5 6 7 8 9 10
KILOMETRES
1:100,000

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A.D.E. JOINT VENTURE					
EXPLORATION LICENCE 7261					
ANNUAL REPORT					
SAMPLE LOCATIONS					
PLAN 1					
Geologist :	Date :	MAY, 1996		Report No. :	
Drafted :	M.F. Artoli	Revised :		Drawing No. :	