ANNUAL REPORT

EXPLORATION LICENCE 7238

24th May, 1994 to 23rd May, 1995

Licensee: Ashton Mining Limited
Operator: Ashton Mining Limited
Sheet Reference: 1:250,000 Brunette Downs (SE 53-11)
Submitted to: Department of Mines and Energy, Darwin
Copies to: Ashton Mining Limited - Perth Office
Ashton Mining Library

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SCANNED
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SUMMARY

During the period 24th May, 1994 to 23rd May, 1995 Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV) carried out an exploration programme over Exploration Licence 7328. This report provides details of work undertaken on the licence during the reporting period.

Exploration activity comprised interpretation of a helimag survey and drilling of a magnetic anomaly.

Exploration expenditure amounted to $31,647 against a covenant of $30,000.
1.0 INTRODUCTION

Exploration Licence 7328 was granted to Ashton Mining Limited on the 24th May, 1991 for a period of six years. Ashton Mining Limited is the manager of the licence, on behalf of the Australian Diamond Exploration Joint Venture (ADEJV). Participants of the ADE Joint Venture also include Aberfoyle Resources and Australian Diamond Exploration (ADEX).

The licence covers an area of 19 blocks and is located on the Brunette Downs 1:250,000 maps sheet. Tenement location is shown in Figure 1. The licence was applied for to allow investigation of a possible Homestake-style gold target revealed by aeromagnetic data.

This report provides a summary of work undertaken during the reporting period 24th May, 1994 to 23rd May, 1995. A statement of expenditure is included in this report.

2.0 EXPLORATION PROGRAMME

2.1 Helimag Survey

Interpretation of a helimag survey covering 44 km², undertaken in the previous reporting period, was completed (Figure 2). A basement anomaly has been interpreted as a possible folded Banded Iron Formation. This feature has similarities to Homestake-style of gold mineralisation which is also hosted by folded Banded Iron Formation. Target depth has been modelled at 100 - 120 m.
FIGURE 2

FISH HOLE CREEK
AEROMAGNETIC SURVEY
Line spacing 300m. at 80m flying ht. n-s
TOTAL FIELD MAGNETIC DATA
2.2 Drilling

This feature is currently being diamond drilled by Schubert Drilling of Mt Isa.

The design built rig incorporates a 200 psi/400 dfm compressor and is mounted on a 4 x 4 high cab Bedford truck.

2.3 Results

Due to drilling delays, the drill hole has not been completed. At 160 m, the hole is still in Cambrian Carbonate sediments.

3.0 EXPLORATION EXPENDITURE

Exploration expenditure for the period 24th May, 1994 to 23rd May, 1995 amounted to $31,647. A detailed breakdown is given in Appendix I.

4.0 CONCLUSIONS AND RECOMMENDATIONS

If Banded Iron Formation are encountered in the Pre-Cambrian basement, further investigation for gold mineralisation will be warranted. However, if Cambrian Volcanics, namely Peaker Piker Volcanics, are encountered, then further investigation will not be warranted and the licence will be recommended for relinquishment.
5.0 PROPOSED PROGRAMME AND BUDGET

The proposed programme and budget for the period 24th May, 1995 to 23rd May, 1996 is given below.

PROPOSED PROGRAMME

- Geochemical analysis of core.
- Additional drilling to define extent of Banded Iron Formation.
- Geophysical logging of holes.

PROPOSED EXPENDITURE

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<th>Category</th>
<th>Amount</th>
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<td>Field Support/Office Staff</td>
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<td>Geophysics</td>
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<tr>
<td>Drilling</td>
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<tr>
<td>Geochemical Analysis</td>
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<td><strong>Total</strong></td>
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APPENDIX I

Statement of Expenditure
# Statement of Expenditure

**Exploration Licence 7328**

For the period 24th May, 1994 to 23rd May, 1995

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<td><strong>Total</strong></td>
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