

PARTIAL RELINQUISHMENT REPORT

EXPLORATION LICENCE 8095

"Calvert Hill"

12th July, 1993 to 11th July, 1997

Licensee: Ashton Mining Limited

Operator: Ashton Mining Limited

Sheet Reference: 1:250,000 Calvert Hills (SE53-08)

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SUMMARY

During the period 12th July, 1993 to 11th July, 1997, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV) carried out an exploration programme over Exploration Licence 8095. In June 1997, the licence was reduced from 88 blocks to 44 blocks. This report provides details of work undertaken on the relinquished portion of the licence.

Gravel sampling programmes were implemented within EL 8095, with twelve samples being collected in the relinquished portion of the licence. Samples were dispatched to Ashton's Perth laboratory for microdiamond and indicator mineral analysis. Processing of these samples returned three positive results; two containing single microdiamonds and the third sample reporting two microdiamonds.

Exploration expenditure for the relinquished area amounted to \$ 13,193.

1.0 INTRODUCTION

This report details exploration activities carried out by Ashton Mining over the relinquished portion of Exploration Licence 8095 for the period 12th July, 1993 to 11th July, 1997. Ashton Mining Limited is manager of the licence on behalf of the Australian Diamond Exploration Joint Venture (ADEJV). Parties to the ADEJV are Ashton Mining Limited and Aberfoyle Resources Limited.

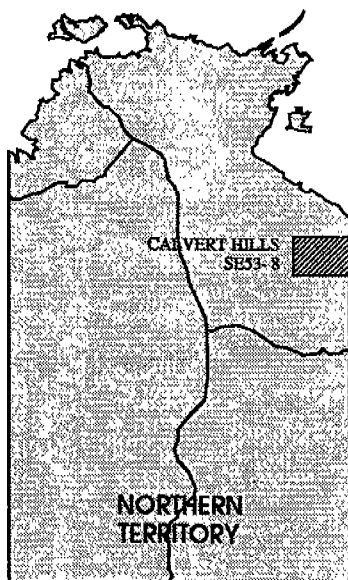
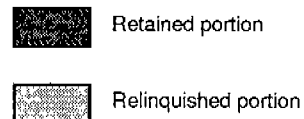
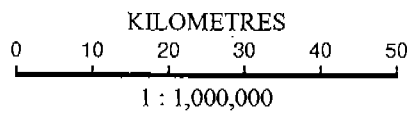
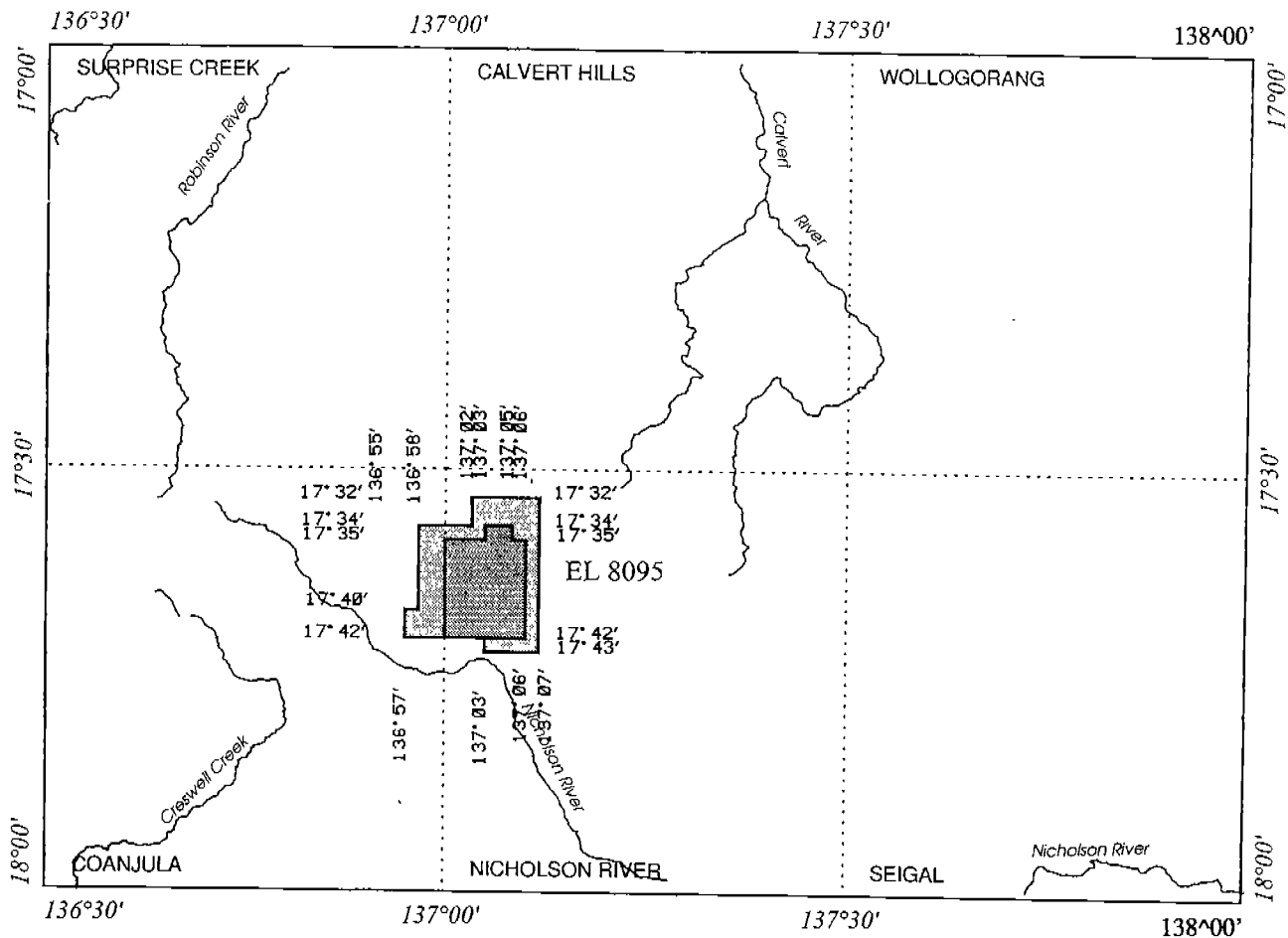
Exploration Licence 8095 was granted to Ashton Mining Limited on the 12th July, 1993 for a period of six years. The licence, originally covering an area of 352 blocks, was partially relinquished to 176 blocks in 1995 and to 88 blocks in 1996. In June 1997, a third reduction was made, reducing the title to 44 blocks. The licence is located on the Calvert Hills (SE53-12) 1:250,000 map sheet. A tenement location map showing the relinquished and retained areas is shown in Figure 1.

A statement of expenditure is included in this report.

2.0 DIAMOND EXPLORATION

2.1 Data Review

Prior to commencing field work, a comprehensive data review of previous exploration and open file results in the tenement area was undertaken. This highlighted areas which had not been adequately explored. Proposed sample locations were selected and plotted in the office on the 100,000 map sheets.



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FIGURE 1
LOCATION MAP**

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2.2 Sampling Programme

Following review of available data, reconnaissance sampling programmes were implemented within EL 8095. Twelve gravel samples were collected from the relinquished area, and dispatched to Ashton's Perth laboratory for indicator and microdiamond analysis. Processing returned three positive results; two containing single microdiamonds, and the third sample reporting two microdiamonds.

Sample locations are shown in Figure 2. A full listing of sample results is provided in Appendix 1.

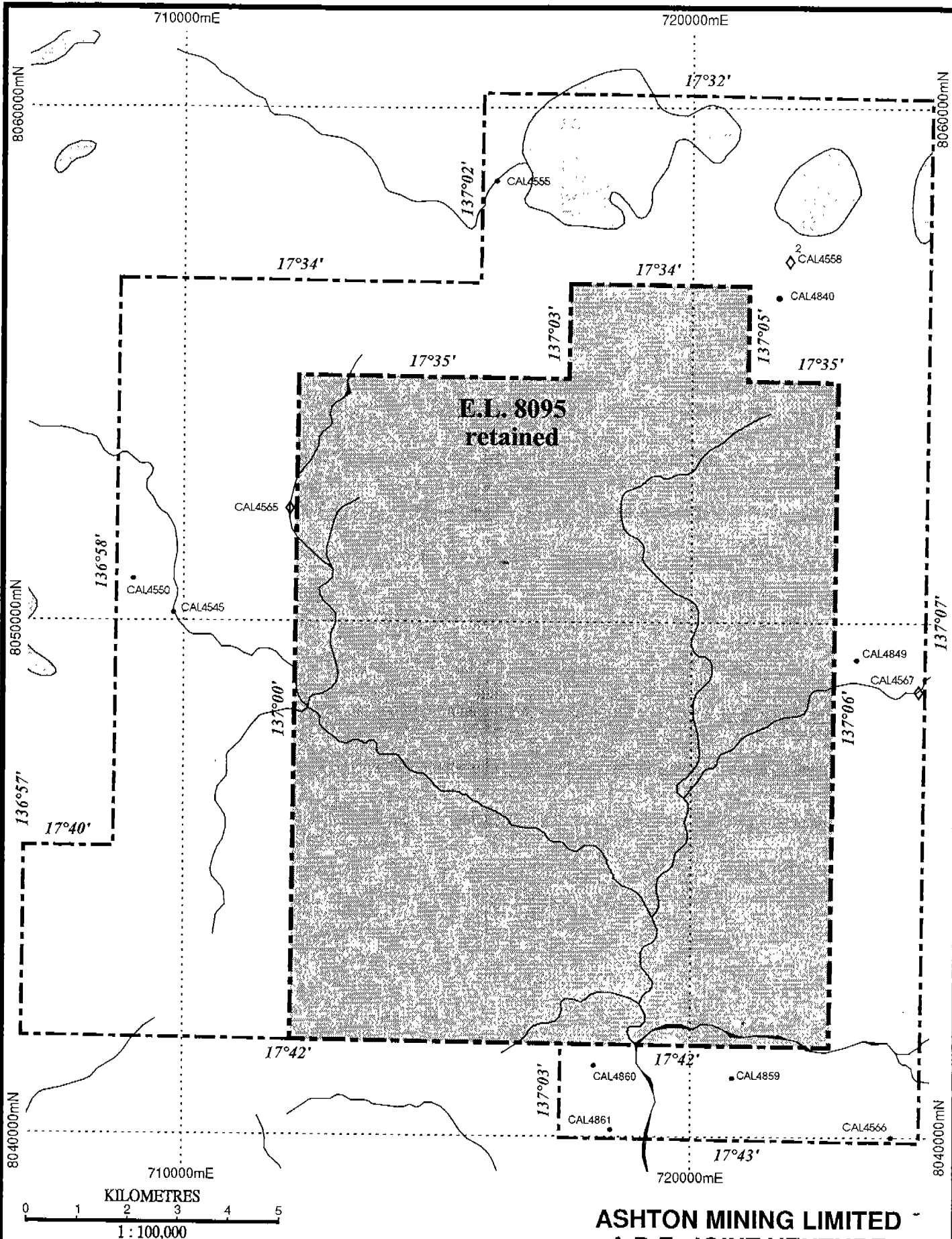
2.3 Sampling Method

Sampling was completed using helicopters as they are the most practical mode of transport with the advantage of ease of access and navigation. They also enable the geologist to scan the area for prospective trap sites. The best quality heavy mineral trap in the vicinity of the pre-selected site was chosen for sampling.

Once a suitable site was located, approximately 40kg of gravel was gathered, sieved and the minus 4mm fraction collected in calico bags for laboratory examination. This fraction generally weighs between 25 and 30kg and is usually contained within two bags. The bags were sent to Ashton's Perth laboratory for diamond and indicator analysis.

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LEGEND

- Sample - not yet processed
- Sample - negative
- ◆ Sample - chromite positive
- ◇ Sample - diamond positive
- ⊕ Sample - other indicators
- × Geochemical sample location

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FIGURE 2
SAMPLE LOCATIONS**

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3.4 Laboratory Procedure

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

The heavy liquid used is tetrabromethane with a specific gravity of 2.96. The concentrates were 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

Diamond exploration expenditure for the period 12th July, 1993 to 11th July, 1997 over the relinquished area amounted to \$ 13,193. A detailed breakdown of expenditure is given in Appendix 2.

4.0 CONCLUSIONS

Work undertaken within EL 8095, in the previous and current field season, has been focused within the retained portion of the licence. As a result, relinquishment of the outer sub-blocks was recommended by the Manager. Results obtained from reconnaissance sampling in this area, were considered to be of low significance, despite the return of three positive samples.

5.0 REFERENCES

Reddicliffe, T.H. (July 1994) Annual report, Exploration Licence 8095, 12th July, 1993 to 11th July, 1994. Ashton Mining Limited. Report No.50914

Ong, N. (August 1995) Annual report, Exploration Licence 8095, 12th July, 1994 to 11th July, 1995. Ashton Mining Limited. Report No.51148

Rogers, T. (August 1996) Annual report, Exploration Licence 8095, "Calvert Hill", 12th July, 1995 to 11th July, 1996. Ashton Mining Limited. Report No.51387

Reddicliffe, T.H. (July 1997) Annual report, Exploration Licence 8095, "Calvert Hill", 12th July 1996 to 11th July, 1997. Ashton Mining Limited. Report No. 52113.

APPENDIX 1

Sample Results

Sample Results for EL 8095

Relinquishment Report for the period 12/07/93 to 11/07/97

Sample	SampleType	Result	Diamond			
			Micro	Macro	Chromite	Other
CAL 4545	G	NEG	-	-	-	-
CAL 4550	G	NEG	-	-	-	-
CAL 4555	G	NEG	-	-	-	-
CAL 4558	G	POS	2	-	-	-
CAL 4565	G	POS	1	-	-	-
CAL 4566	G	NEG	-	-	-	-
CAL 4567	G	POS	1	-	-	-
CAL 4840	G	NEG	-	-	-	-
CAL 4849	G	NEG	-	-	-	-
CAL 4859	G	NEG	-	-	-	-
CAL 4860	G	NEG	-	-	-	-
CAL 4861	G	NEG	-	-	-	-

G = Gravel
L = Loam

APPENDIX 2

Statement of Expenditure

STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 8095

Relinquishment Report

For the period
12th July, 1993 to 11th July, 1997

Geoscientist/Professional Staff	2,769
Field Support/Office Staff	2,005
Other Contractors	22
Travel/Accommodation/Meals	1,268
Field Supplies	281
Operating Costs	170
Vehicles	482
Freight/Storage	87
Helicopter Charter	1,765
Laboratory	3,064
Drafting/Computing	81
Sub-Total	11,994
Overheads	1,199
Total:	\$ 13,193