

ANNUAL REPORT - EL 7260

6th June, 1991
to
5th June, 1992

Submitted to:

Department of Mines & Energy
Mineral House
Darwin

8/7/92

Ashton Mining Limited
Perth, Western Australia

July, 1992

CONTENTS

	Page
SUMMARY	1
INTRODUCTION	2
EXPLORATION PROGRAMME	2
a) Data Review	2
b) Field Programme	4
c) Ground Magnetic Survey	4
d) Base Metal Exploration	4
EXPLORATION EXPENDITURE	4
CONCLUSIONS AND RECOMMENDATIONS	4
PROPOSED PROGRAMME AND BUDGET	5

FIGURES

1. Location of Exploration Licence 7260
2. Ground Magnetic Survey - MY 1/1, MY 1/2

APPENDICES

- I Statement of Expenditure

SUMMARY

Ashton Mining Limited is exploring EL 7260 for diamond bearing kimberlitic intrusives. A joint venture with BHP Minerals has also been agreed upon for base metal exploration in the area. All available information over the area has been reviewed in preparation for a sampling programme which had to be abandoned when attempted in late 1991 due to wet conditions. It is recommended this be rescheduled for the next field season.

INTRODUCTION

Exploration licence 7260 was granted to Ashton Mining Limited on 6th June, 1991, for a period of 12 months. It covers an area of 968km² and is located on the Mount Young 1:250,000 map sheet (Figure 1).

As this tenement is situated in what is a recognised base metal province a joint venture was negotiated with BHP Minerals which will allow them to earn up to 80% of the base metal rights to EL 7260.

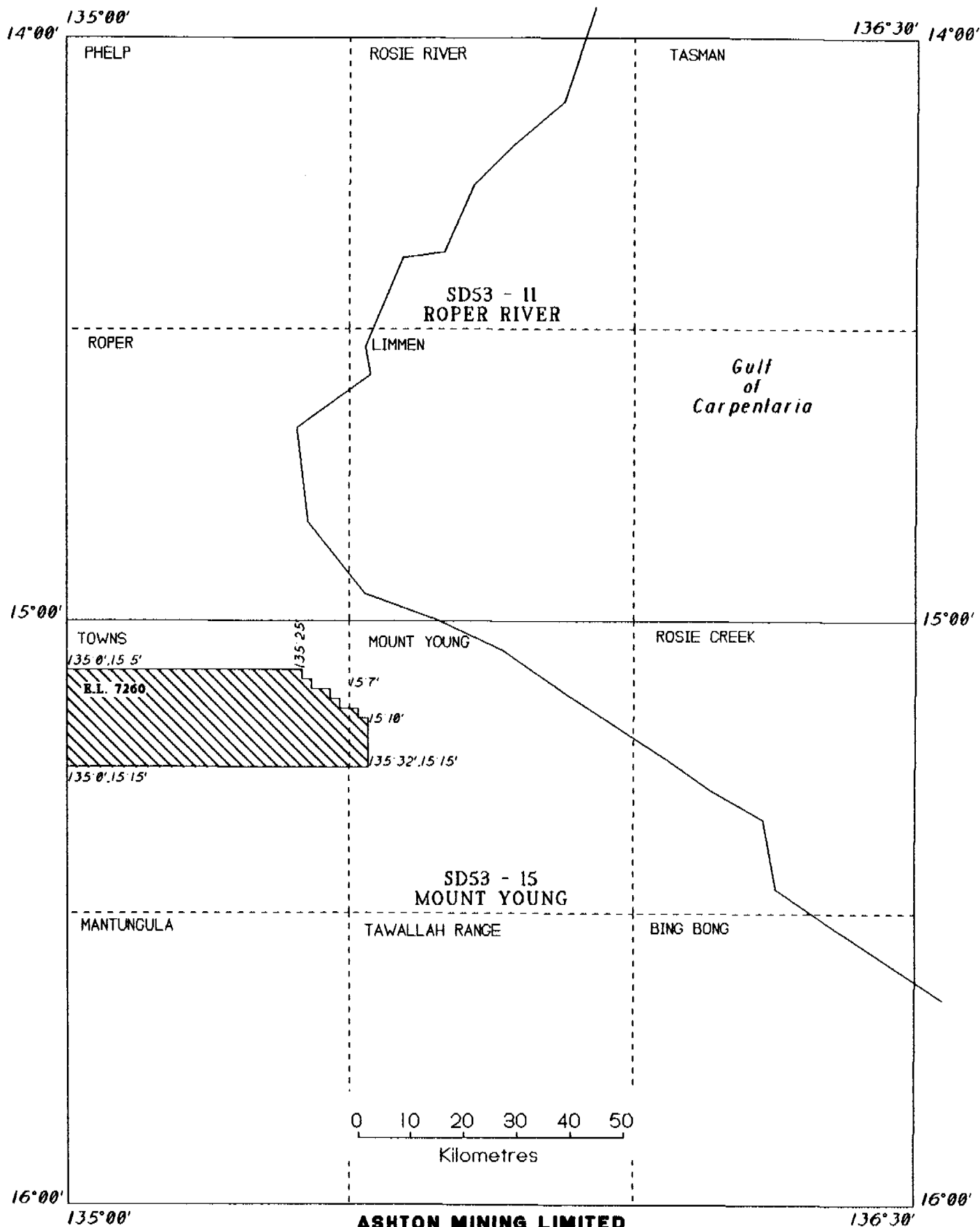
Ashton's primary target of exploration within the licence is diamond bearing kimberlitic intrusives.

EXPLORATION PROGRAMME

a) Data Review

Open file data were reviewed to determine the extent of, and results from, previous sampling programmes in the area.

A photogeological study of available photography covering the Mount Young 1:250,000 sheet by Dr R. Russell has selected structural and geomorphic features which could represent kimberlitic intrusives. Areas of low relief and poor drainages including the Wave Hill Planation surface were also highlighted since these areas could contain preserved intrusives which have not shed significantly into the present drainages.



**ASHTON MINING LIMITED
A.D.E. JOINT VENTURE
E.L. 7260
FIGURE I
LOCATION MAP**

july, 1992

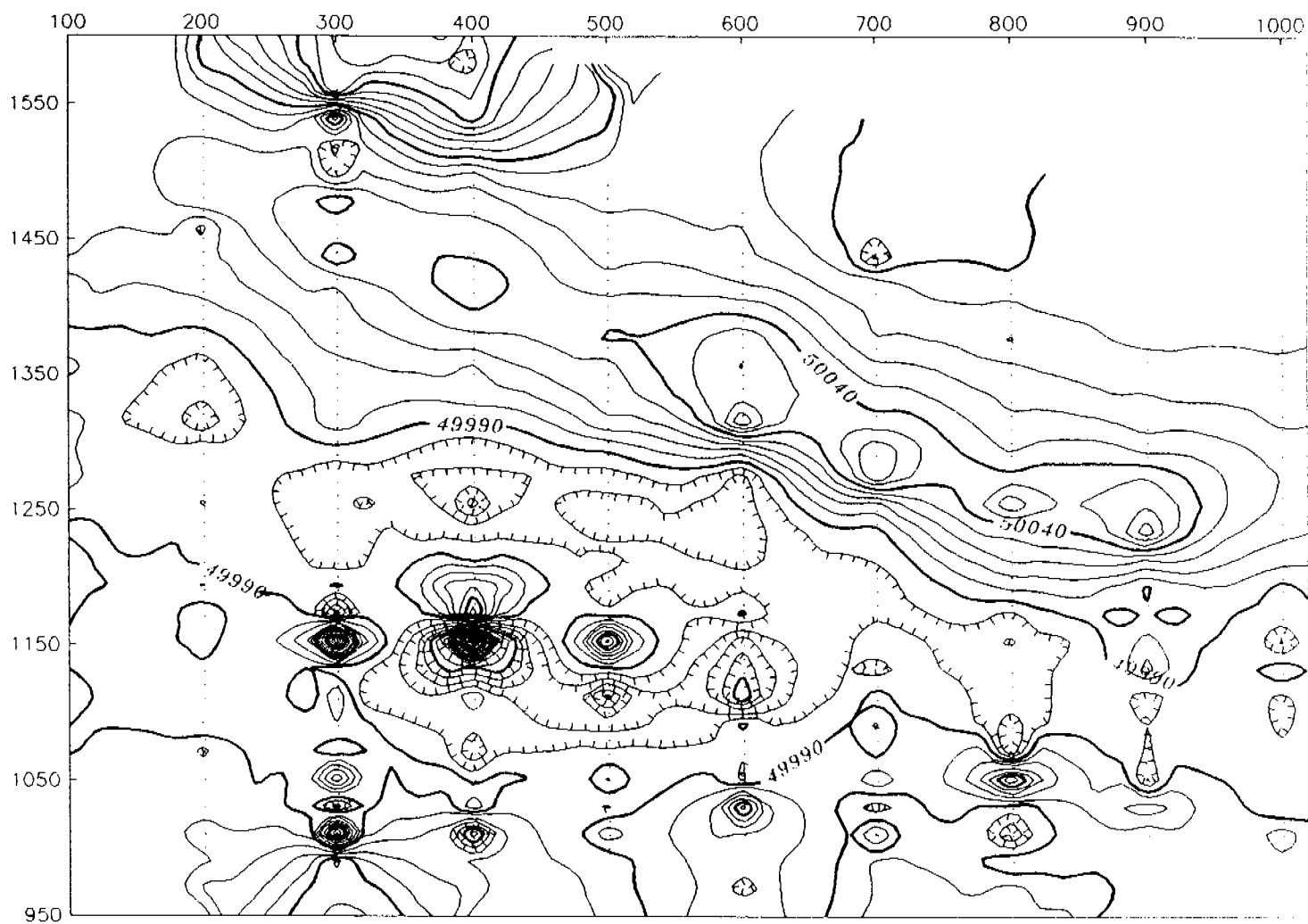
A prospectivity map of the area has been completed, which shows poorly drained areas, and low lying areas with transported overburden, and actively eroding areas. This has been merged with known chromite and microdiamond occurrences, all previous sampling and photo-features. From this data, poorly drained areas with previous inadequate sample coverage have been targeted for sampling.

Gravel sample locations were subsequently plotted over these areas on the Towns 1:100,000 sheet so that sites lie approximately 10km apart and are uniformly distributed in preparation for the sampling programme.

The Northern Territory Geological Survey (NTGS) aeromagnetic survey over the tenement was acquired. This survey data has been processed and aeromagnetic anomalies assessed by R.K. Jones for possible follow-up. Only two significant targets were found in EL 7260, namely MY 1/1 and MY 1/2 (Figure 2).

b) Field Programme

A field inspection of EL 7260 was made in late 1991 as part of a regional reconnaissance sampling programme. Unfortunately, the streams in the area were found to be flooded, preventing satisfactory samples being collected and the sampling programme was abandoned.



SCALE 1 cm. = 50 metres

ANOMALY MY 1/1
ANOMALY MY 1/2

Several days were spent in the licence area checking features highlighted in the air photograph study and aeromagnetic survey.

c) Ground Magnetic Survey

Aeromagnetic anomalies MY 1/1 and MY 1/2 were located by ground magnetic survey, which was interpreted as follows: weathered dolerite with four loam and one stream sample producing non-kimberlitic chromite.

d) Base Metal Exploration

BHP Minerals are currently collating and reviewing all previous exploration on the tenement prior to undertaking field work.

EXPLORATION EXPENDITURE

The total exploration expenditure for this reporting period was \$ 34,980. A detailed break down of costs is shown in Appendix I.

CONCLUSIONS & RECOMMENDATIONS

Extensive office based investigations have been made to assess the potential of EL 7260 for diamond bearing kimberlitic intrusives. Unfortunately the sampling programme planned for the area had to be abandoned due to wet conditions.

It is recommended that the planned work be undertaken in the next reporting period.

Follow-up of two aeromagnetic anomalies revealed them to be not caused by kimberlitic intrusives, and hence no further work is warranted.

PROPOSED PROGRAMME & BUDGET

a) Programme

- Complete drainage sampling programme.
- Follow-up sampling (loam and/or drainage) to back track any apparent anomalies.
- An airborne EM survey to be flown over the area to identify possible base metal targets.
- Possible drilling to test selected EM targets.

b) Budget

It is envisaged that a budget of at least \$ 20,000 will be required to complete this work.

APPENDIX I
STATEMENT OF EXPENDITURE

EL 7260

STATEMENT OF EXPENDITURE

For the Period
6th June, 1991 to 5th June, 1992

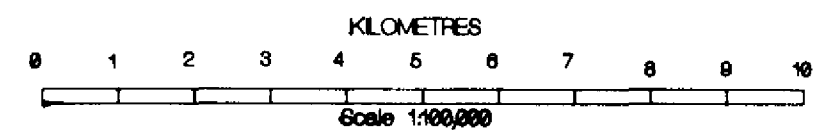
Labour	8,500
Field Support	5,500
Air Charter	4,000
Vehicles	3,500
Analyses	-
Geophysics	4,800
Laboratory	-
Drafting	2,000
Photostudy	3,500
Overheads	3,180
	<hr/>
TOTAL:	\$ 34,980
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TOWNS

E.L. 7260

MY 1/2 MY 1/1

HO255



ASHTON MINING LIMITED
A.D.E. JOINT VENTURE
ANNUAL REPORT ON E.L. 7260 SAMPLE AND MAGNETIC ANOMALY LOCATIONS
PLAN 1
TOWNS 1:100,000 ; MOUNT YOUNG 1:250,000
Date : JULY, 1992

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