ANNUAL REPORT

EXPLORATION LICENCE 7961

5th April, 1993
to
4th April, 1994

Licensee: Ashton Mining Limited
Operator: Ashton Mining Limited
Sheet Reference: 1:250,000 Mt Young (SE 53-15)

Submitted to: Department of Mines & Energy
DARWIN

Author:
T.H. REDDICLIFFE
Ashton Mining Limited
24 Outram Street
WEST PERTH WA 6005

May, 1994
Report Number: 50132
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SUMMARY

This report details exploration activities conducted by Ashton Mining Limited on Exploration Licence 7961. During the period 5th April 1993 to 4th April 1994 Ashton Mining Limited, on behalf of the ADE Joint Venture, carried out an exploration programme over Exploration Licence 7961. This report provides details of work undertaken on EL 7961 during the first year of tenure.

Exploration activities during the 1993-94 field season consisted of the collection of reconnaissance stream samples from the tenement area. The total number of samples collected within the boundaries of Exploration Licence 7961 totalled 4.

Exploration expenditure amounted to $11,220 against a covenant of $10,000.
1.0 INTRODUCTION

Exploration licence 7961 was granted to Ashton Mining Limited, on 5th April 1993 for a period of six years. The licence covers an area of 25 blocks (approximately 81 square kilometres) and is situated on the Mt Young 1:250,000 map sheet and the Tawallah Range 1:100,000 map sheet. See Figure 1 for tenement location.

The target for exploration within this licence is diamond bearing kimberlitic intrusives.
2.0 EXPLORATION PROGRAMME

2.1 Data Review

A review of open file diamond exploration data was completed. No kimberlitic results or indicator minerals were reported from the licence area.

2.2 Field Programme

As part of a reconnaissance regional stream sampling programme, 4 40kg (-2mm) samples were taken from within the licence. Sample number MYO342 reported 1 microdiamond.

2.3 Photo-Interpretation

A photo-interpretation of the licence area was completed by Dr R Russell as part of a broader regional study. Two photo features were identified and recommended for field inspection.

3.0 EXPENDITURE

Exploration expenditure for the period 4th April, $993 to 5th April, 1994 amounted to $11,220 against a covenant of $10,000. A detailed breakdown is given in Appendix 2.

4.0 CONCLUSIONS AND RECOMMENDATIONS

A follow-up sampling programme, comprising some 16 samples is planned for 1994, to evaluate the significance of the single positive result and to further evaluate the licence for possible kimberlitic intrusives.
5.0 PROPOSED PROGRAMME

The proposed exploration programme for the period 4th April, 1994 to 5th April, 1995 is as follows:

- Follow-up stream sampling and loam sampling if warranted.
- Detailed ground magnetic survey if warranted.
- Ground inspection of two photo-features.

An approximate expenditure for this is broken down as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Salaries &amp; Wages</td>
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<td>Consultants</td>
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<tr>
<td>Field Support</td>
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</tr>
<tr>
<td>Vehicles</td>
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<tr>
<td>Air Charter</td>
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<tr>
<td>Laboratory</td>
<td>5,000</td>
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$ 22,000
APPENDIX 1

SAMPLE RESULTS
**EXPLORATION LICENCE 7961**

**SAMPLE RESULTS**

<table>
<thead>
<tr>
<th>Sample Number</th>
<th>Type</th>
<th>Sample Size</th>
<th>Laboratory Results</th>
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<tbody>
<tr>
<td>MYO342</td>
<td>Stream</td>
<td>40kg</td>
<td>1 Microdiamond</td>
</tr>
<tr>
<td>MYO334</td>
<td>Stream</td>
<td>40kg</td>
<td>Negative</td>
</tr>
<tr>
<td>MYO343</td>
<td>Stream</td>
<td>40kg</td>
<td>Negative</td>
</tr>
<tr>
<td>MYO362</td>
<td>Stream</td>
<td>40kg</td>
<td>Negative</td>
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APPENDIX 2

STATEMENT OF EXPENDITURE
STATEMENT OF EXPENDITURE
EXPLORATION LICENCE 7961

For the period
4th April, 1993 to 5th April, 1994

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<td>Field Support</td>
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<tr>
<td>Vehicles</td>
<td>$500</td>
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<td>Air Charter</td>
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<tr>
<td>Drafting</td>
<td>$250</td>
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<tr>
<td>Overheads (10%)</td>
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<td><strong>TOTAL:</strong></td>
<td><strong>$11,495</strong></td>
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</tbody>
</table>
FIGURE 1

TENEMENT LOCATION PLAN

EXPLORATION LICENCE 7961
FIGURE 1
E.L. 7961
LOCATION MAP

ASHTON MINING LIMITED
ADE JOINT VENTURE

MAY, 1994
PLAN 1

SAMPLE LOCATIONS PLAN

EXPLORATION LICENCE 7961