ANNUAL REPORT

EXPLORATION LICENCE 7239

24th May, 1994

to

23rd May, 1995

Licensee: Ashton Mining Limited
Operator: BHP Minerals Pty Ltd
Sheet Reference: 1:250,000 Wallhallow (SE 53-07)
Submitted to: Department of Mines & Energy
DARWIN

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July 1995
Report Number: 51136
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Figure 1. Tenement Location Plan

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SUMMARY

Exploration licence 7239 was applied for by Ashton Mining Limited, to cover a McArthur Basin look-alike structure identified from aeromagnetic data. Under the McArthur River Joint Venture agreement, BHP Minerals are undertaking follow-up of this structure.

During the period 24th May, 1994 to 23rd May, 1995 no field work was completed by BHP Minerals over this licence.

Ashton Mining Limited did not undertake any exploration work during the reporting period and has no further plans for exploration over the licence area.

Exploration expenditure amounted to $5,047 against a covenant of $15,200.
ASHTON MINING LIMITED
ADE JOINT VENTURE

FIGURE 1
EXPLORATION LICENCE 7239
LOCATION MAP

MAY, 1995
1.0 INTRODUCTION

Exploration Licence 7239 was granted to Ashton Mining Limited on the 24th May, 1991 for a period of six years. The licence covers an area of 85 blocks and is located on the Wallhallow 1:250,000 map sheet (Figure 1).

On the 24th January, 1992, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), entered into a joint venture agreement with BHP Minerals Pty Ltd which would allow BHP to earn up to 80% of the base metal rights to this tenement. This joint venture is known as the McArthur River Joint Venture.

This report provides a summary of work undertaken by BHP Minerals during the reporting period 24th May, 1994 to 23rd May, 1995. No work was carried out by Ashton Mining Limited. A statement of expenditure is included in this report.

2.0 BASE METAL EXPLORATION PROGRAMME

No field work was completed by BHP Minerals over EL 7239 during this reporting period.

Work focussed on BHP’s bounding licence 7854 wherein, results obtained from this work would dictate the program over EL 7239. Circumstances prevented the program over EL 7854 being completed within the scheduled time frame, and this in turn has resulted in the proposed program over EL 7239 not being completed.
3.0 EXPLORATION EXPENDITURE

Exploration expenditure for the period 24th May, 1994 to 23rd May, 19954 amounted to $5,047. A detailed breakdown is given in Appendix 1. This expenditure is a reflection of the costs involved in reporting writing, together with processing of radiometric data.

4.0 CONCLUSIONS AND RECOMMENDATIONS

Pending positive results being returned from work programs completed on BHP’s adjoining licence 7854, BHP’s proposed work program over EL 7239 would involve TEM sounding and possible drill testing.

5.0 PROPOSED PROGRAMME AND BUDGET

- 10 TEM soundings @ $700 each including dozing $7,000
- Interpretation of radiometric data 500
- 150m RC drill 5,250
- Report writing, office costs, 1,250

$14,000
APPENDIX 2

Statement of Expenditure
STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 7239

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Wages and Salaries</td>
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<td>Field Support</td>
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<td>Vehicles</td>
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<td>Surveys</td>
<td>1,750</td>
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<td>Office Expenses</td>
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<tr>
<td>Library</td>
<td>500</td>
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<td>In-House Services: Drafting</td>
<td>345</td>
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<td><strong>4,389</strong></td>
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| Overheads 15%                | 658    |
| Total:                       | **$5,047** |