

FIRST ANNUAL AND FINAL REPORT

EXPLORATION LICENCE 8914
"Billengarah Creek"

4th July, 1995 to 16th July, 1996

<i>Licensee:</i>	Ashton Mining Limited
<i>Operator:</i>	Ashton Mining Limited
<i>Sheet Reference:</i>	1:250,000 Bauhinia Downs (SE53-03)
<i>Submitted to:</i>	Department of Mines and Energy, Darwin
<i>Copies to:</i>	Ashton Mining Limited - Perth Office Ashton Mining Library

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October, 1996
Report Number. 51473

CR 96/792

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SUMMARY

During the period 4th July, 1995 to 16th July, 1996, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), carried out an exploration programme over Exploration Licence 8914. This report provides details of all work undertaken on the licence during the reporting period.

A sampling programme was undertaken in the first year of the licence. One gravel sample and one loam sample were collected and sent for diamond and indicator analysis at Ashton's Perth laboratory. The samples are negative. A review of the potential of the area and other exploration priorities led to a decision to surrender the licence.

Exploration expenditure for the life of the licence amounted to \$4,041.

KEYWORDS:

Diamond exploration; Gravel sampling; Loam sampling

LOCATION:

Bauhinia Downs (SE53-03); Batten (6065); Bauhinia Downs (5965);

1.0 INTRODUCTION

This report details exploration activities carried out by Ashton Mining Limited over Exploration Licence 8914 for the period 4th July, 1995 to 16th July, 1996. Ashton Mining Limited is manager of the licence on behalf of the Australian Diamond Exploration Joint Venture (ADE JV). Participants of the ADE Joint Venture also include Aberfoyle Resources Limited and Australian Diamond Exploration NL (ADEX).

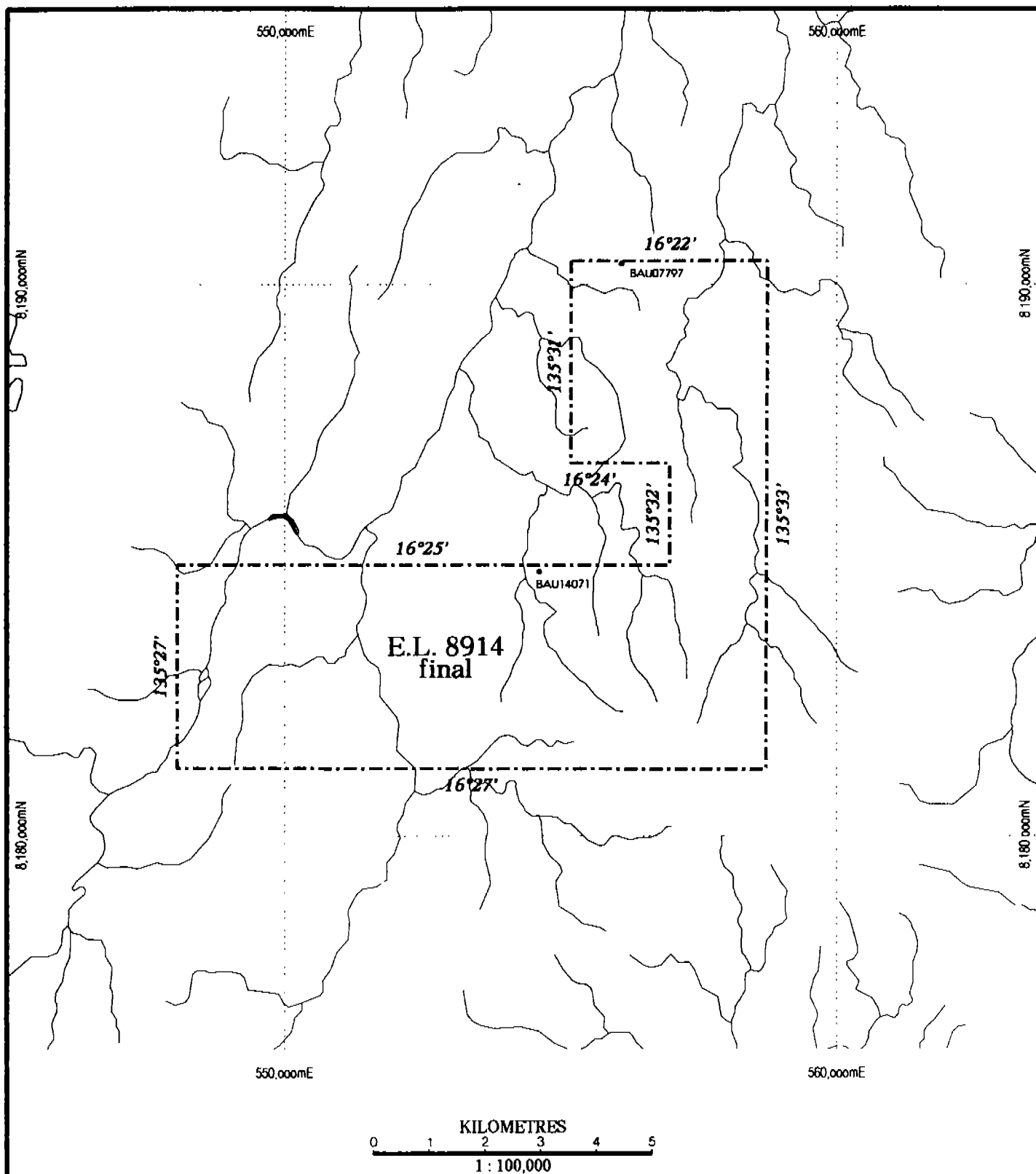
Exploration Licence 8914 was granted to Ashton Mining Limited on the 4th July, 1995, for a period of six years. The licence covers an area of 17 blocks (54.57 km²) and is located on the Bauhinia Downs (SE53-03) 1:250,000 map sheet. A tenement location map is shown in Figure 1. The target for exploration within this licence was diamond bearing kimberlitic intrusives.

A statement of expenditure is included in this report.

2.0 EXPLORATION PROGRAMME

2.1 Data Review

Prior to commencing field work, a comprehensive data review of results and previous exploration in the tenement area was undertaken. This highlighted areas which had not been adequately explored. Proposed gravel sample locations were then selected and plotted in the office on the Bauhinia Downs and Batten 1:100,000 map sheets.



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

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FIGURE 2**

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2.2 Sampling

During the first year of the licence, Ashton collected one gravel (BAU014071) and one loam sample (BAU07797) on a photo feature. The samples were forwarded to Ashton's Perth laboratory for diamond and indicator analysis. The samples returned negative results. The sample locations are shown in Figure 2.

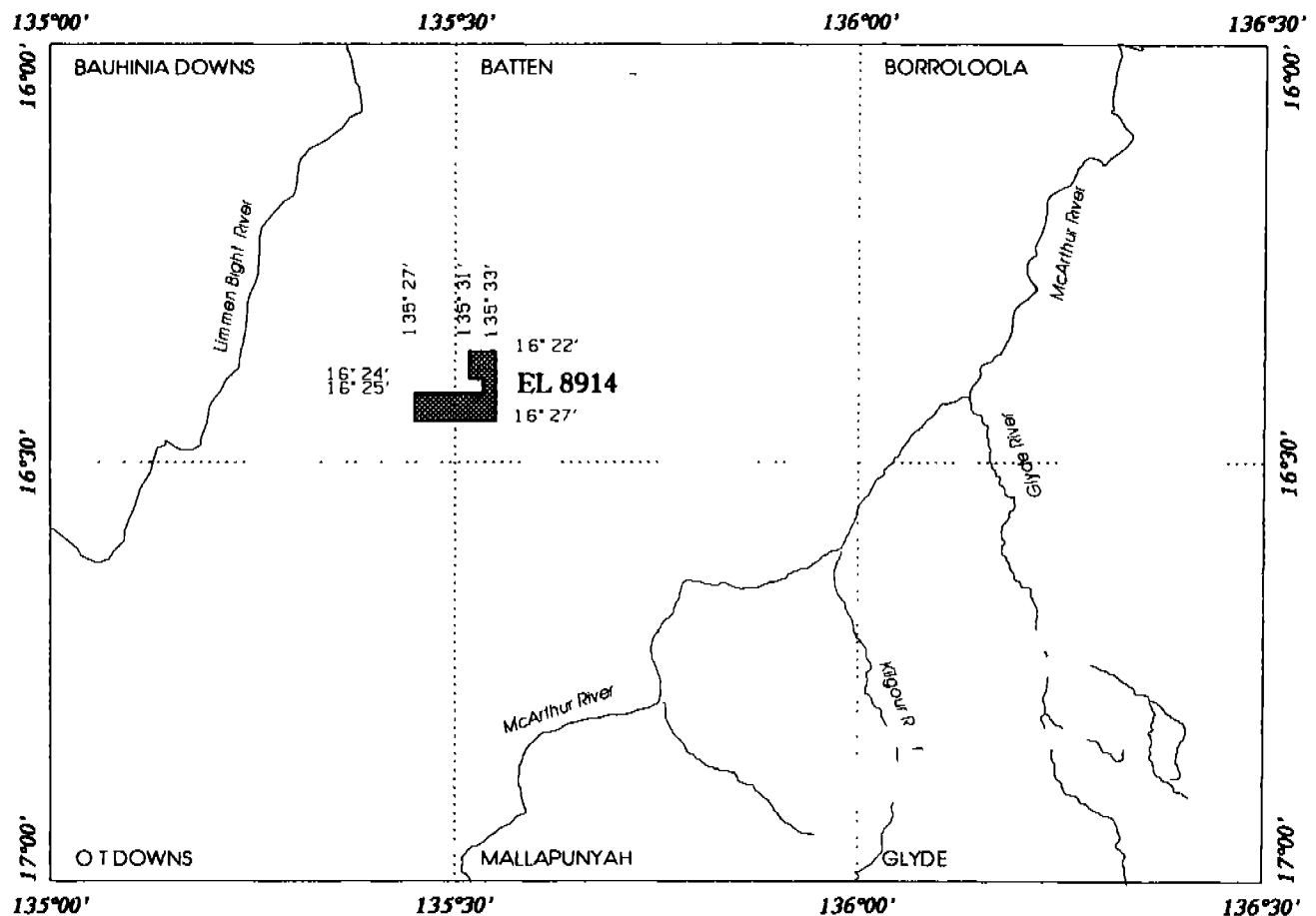
Gravel sampling was completed using helicopters as they are the most practical mode of transport with the advantage of ease of access and navigation. They also enable the geologist to scan the area for prospective trap sites. The best quality heavy mineral trap in the vicinity of the pre-selected site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

Once a suitable site is located, approximately 40kg of gravel is 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 are sent to Ashton's Perth laboratory for diamond and indicator analysis.

2.3 Laboratory Procedure

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

The heavy liquid used is tetrabromomethane with a specific gravity of 2.96. The concentrates are then screened into various size fractions, further concentrated by magnetic and electrostatic separation techniques and a comprehensive grain by grain

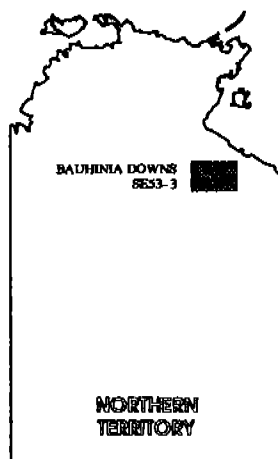


KILOMETRES
0 10 20 30 40 50
1 : 1,000,000



ORIGINAL EXTENT OF LICENCE

FINAL EXTENT OF LICENCE



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FIGURE 1
LOCATION MAP**

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examination carried out on the minus 1.0mm plus 0.425mm fractions.

3.0 REHABILITATION

No substantial disturbance occurred and therefore no rehabilitation work is necessary.

4.0 EXPLORATION EXPENDITURE

Exploration expenditure for the life of the licence (4th July, 1995 to 16th July, 1996) amounted to \$4,041. A detailed breakdown of expenditure is given in Appendix 2.

5.0 CONCLUSIONS

A review of the potential of this area coupled with the negative samples and rationalisation of exploration priorities led to the decision to surrender this licence.

APPENDIX 1

Statement of Expenditure

STATEMENT OF EXPENDITURE

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Final Report

For the period
4th July, 1995 to 16th July, 1996

Geoscientist/Professional Staff	732
Field Support/Office Staff	396
Other Contractors	26
Travel/Accommodation/Meals	372
Field Supplies	424
Equipment	120
Vehicles	90
Freight/Storage	165
Helicopter Charter	80
Laboratory	634
Drafting/Computing	635
Sub-Total	<hr/> 3,674
Overheads	367
Total:	<hr/> <hr/> \$ 4,041