PARTIAL RELINQUISHMENT REPORT
FOR PERIOD 1 JULY 1995 TO 12 JANUARY 1997

EXPLORATION LICENCE 7816
LANCEWOOD
BATTEN TROUGH, NT

TC ROGERS
T L NUNN
APRIL 1997

1:250,000 Sheet Reference: SE 53-7 Walhallow
1:100,000 Sheet Reference: Lancewood

Exploration Licence is held by:

BHP MINERALS PTY LTD
Level 3
3 Plain Street
EAST PERTH WA 6004
SUMMARY

Exploration licence 7816 is held under title by BHP, with Ashton Mining as joint venture partners. No field work was undertaken by BHP Minerals on the EL during the period 1 July 1995 to 12 January 1997.

During the above mentioned period Ashton completed a regional reconnaissance stream gravel and loam sampling programme, all of which returned negative results. Expenditure by Ashton amounted to $2,445.

As BHP did no work during this period, all previous reports to 1995 can be released (CRs 7444, 7722, 8009, 8263). EL 7816 is included within the BHP Lancewood Project.
RELINQUISHMENT REPORT

EXPLORATION LICENCE 7816
"Lancewood"

1st July, 1995 to 12th January, 1997

Licensee: BHP Minerals Pty Ltd

Operator: Ashton Mining Limited

Sheet Reference: 1:250,000 Wallhallow (SE53-07)

Submitted to: BHP Minerals Pty Ltd

Copies to: Ashton Mining Limited - Perth Office
Ashton Mining Library

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April, 1997
Report Number: 52081
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Figure 1. Tenement Location Map
Figure 2. Sample Location Map

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SUMMARY

During the period between 1st July, 1995 to 12th January, 1997, Ashton Mining Limited, through the Australian Diamond Exploration Joint Venture (ADEJV) carried out exploration activities on EL 7816. The licence was granted to BHP Minerals (BHPM) on the 13th January, 1993, however through the McArthur River (Non-Metals) Joint Venture, Ashton has gained access to the tenement to conduct diamond exploration. On 13th January, 1997 the licence was reduced from 31 blocks to 15 blocks. This report provides details of the work undertaken by Ashton on the relinquished portion of the licence.

During the reporting period, Ashton’s exploration program consisted of regional reconnaissance stream gravel and loam sampling. Two gravel and two loam samples were collected. All samples were sent to Ashton’s Perth Laboratory for diamond and indicator analysis. All four samples reported negative results.

Exploration expenditure by Ashton Mining on the relinquished area for the life of the licence amounted to $2,445.

KEYWORDS

Diamond exploration; Gravel sampling; Loam sampling

LOCATION

Wallhallow (SE5307); Lancewood (6163)
1.0 INTRODUCTION

Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADEJV) entered into an agreement with BHP Minerals on the 1st July, 1995. This agreement enables Ashton Mining to carry out its search for diamond bearing kimberlitic intrusives within several of BHP’s exploration licences within the McArthur River region. This agreement is referred to as the McArthur River (Non-Metals) Joint Venture. EL 7816 is one of the BHP licences that Ashton is able to explore under this joint venture agreement.

Exploration Licence 7816 was granted to BHP Minerals on the 13th January, 1993 for a period of six years. At the 1st July, 1995, the tenement area was 61 blocks. The area was reduced to 31 blocks in 1996 and in January, 1997 in accordance with Section 26 of the Northern territory of Australia Mining Act, the licence was further reduced by 16 blocks from 31 to 15 blocks (48.15 km²). The exploration licence is located on the Wallhallow 1:250,000 map sheet and is shown on Figure 1.

The target for exploration within the licence is diamond bearing kimberlitic intrusives and the principal exploration techniques employed have been regional stream gravel and loam sampling.

2.0 DIAMOND EXPLORATION PROGRAMME

2.1 Data Review

Prior to commencing field work, a comprehensive review of previous exploration
completed in the 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 Lancewood 1:100,000 topographic map sheet.

2.2 Gravel Sampling

A stream gravel sampling programme was conducted over the exploration licence in 1995. Two samples were collected in the relinquished area. Both results were negative.

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.

Samples are listed in the table in Appendix 1 and the sample locations are shown on Figure 2.
2.3 Loam Sampling

Two loam samples were collected within the relinquished area of EL 7816. Both samples were sent to Ashton’s Perth laboratory for diamond and indicator analysis. Both results are negative.

The samples are listed in the table in Appendix 1 and locations are shown on Figure 2.

2.4 Laboratory Procedure

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

3.0 REHABILITATION

No work was undertaken that caused substantial disturbance and therefore no rehabilitation work is necessary.

4.0 EXPLORATION EXPENDITURE

Exploration expenditure by Ashton Mining over the relinquished portion of the tenement amounted to $2,445. A detailed breakdown of expenditure is given in Appendix 2.
5.0 CONCLUSIONS AND RECOMMENDATIONS

Following the poor sample results, it was decided that no further work was warranted in this area of the exploration licence. Consequently a recommendation for relinquishment was forwarded.

6.0 REFERENCES


APPENDIX 1

Sample Results
## EL 7616 RESULTS

<table>
<thead>
<tr>
<th>Sample</th>
<th>Type</th>
<th>Result</th>
<th>Diamond</th>
<th>Chromite</th>
<th>Other</th>
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<td>L</td>
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<td>WAL00896</td>
<td>G</td>
<td>neg</td>
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</tbody>
</table>

**NOTE:** G = Gravel sample; L = Loam sample
APPENDIX 2

Statement of Expenditure
STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 7816

Relinquishment Report

For the period
1st July, 1995 to 12th January, 1997

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Geoscientist/Professional Staff</td>
<td>260</td>
</tr>
<tr>
<td>Field Support/Office Staff</td>
<td>218</td>
</tr>
<tr>
<td>Travel/Accommodation/Meals</td>
<td>68</td>
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<tr>
<td>Field Supplies</td>
<td>9</td>
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<tr>
<td>Vehicles</td>
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<td>Freight/Storage</td>
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<tr>
<td>Helicopter Charter</td>
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<td>Laboratory</td>
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<td>Drafting/Computing</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>2,223</td>
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<tr>
<td>Overheads</td>
<td>222</td>
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<tr>
<td><strong>Total:</strong></td>
<td><strong>$ 2,445</strong></td>
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