

PARTIAL RELINQUISHMENT REPORT

EXPLORATION LICENCE 8520

"Surprise"

12th September, 1996 to 15th October, 1997

<i>Licensee:</i>	Redfire Resources NL
<i>Operator:</i>	Redfire Resources NL Ashton Mining Limited
<i>Sheet Reference:</i>	1:250,000 Bauhinia Downs (SE53-03) 1:250,000 Robinson River (SE53-04) 1:250,000 Calvert Hills (SE53-08)
<i>Submitted to:</i>	Department of Mines and Energy, Darwin
<i>Copies to:</i>	Redfire Resources NL Ashton Mining Limited - Perth Office Ashton Mining Library

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SUMMARY

On the 12th September, 1996, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), entered into a joint venture agreement with Redfire Resources NL, which enabled Ashton to investigate tenements held by Redfire in the Batten region of the Northern Territory, including EL 8520. In September 1997, EL 8520 was reduced from 30 blocks to 15 blocks. This report provides details of work undertaken on the relinquished portion of the licence.

Ashton's work programme within the relinquished area of EL 8520 involved the collection of three stream samples. Samples were submitted to Ashton's Perth laboratory for routine microdiamond and indicator mineral analysis. Processing returned one positive result, reporting a single microdiamond. No other work has been undertaken in the relinquished ground.

Exploration expenditure for the relinquished area amounted to \$ 8208.

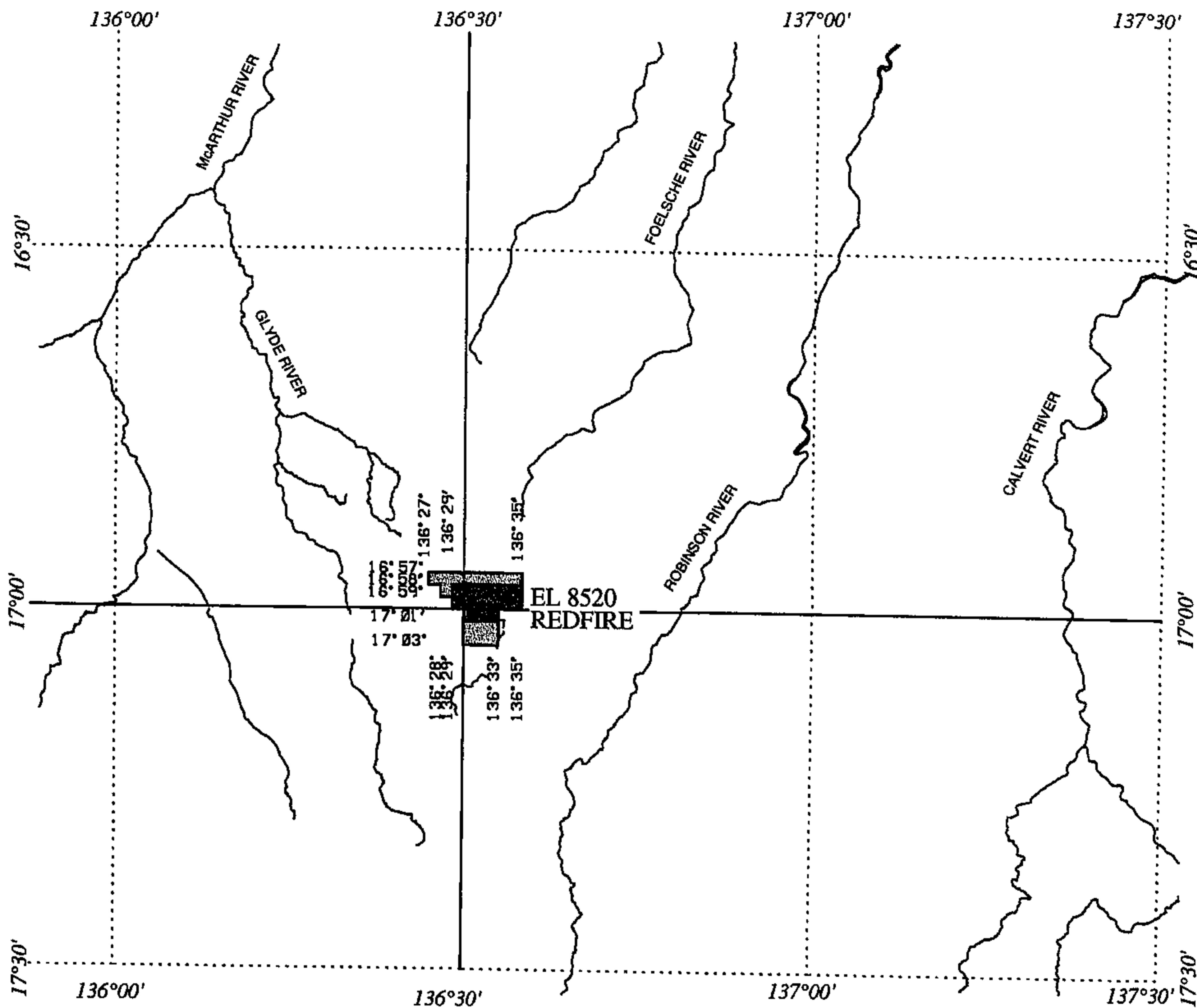
1.0 INTRODUCTION



This report details exploration activities carried out by Ashton Mining over the relinquished portion of Exploration Licence 8520 for the period 12th September, 1996 to 15th October, 1997.

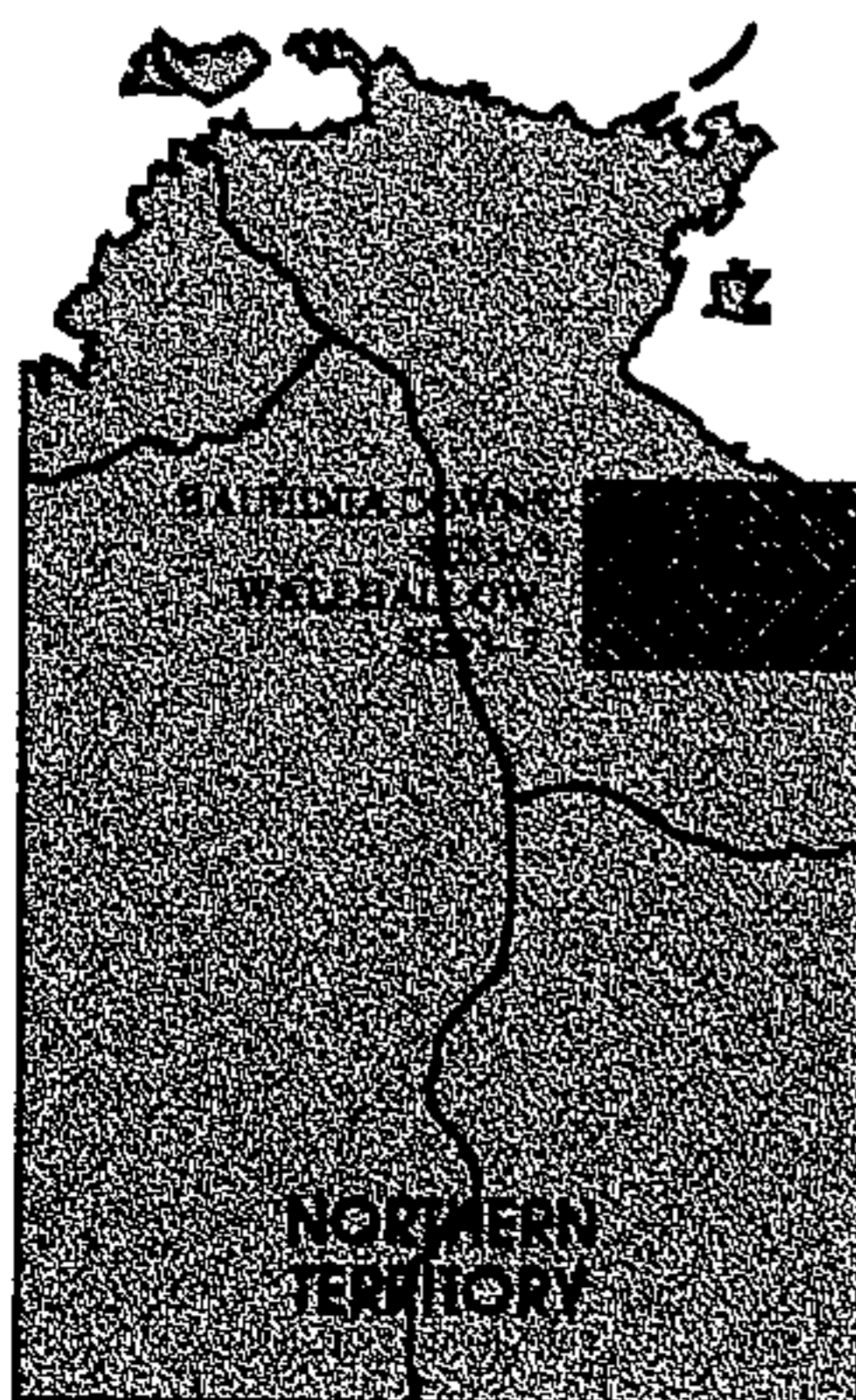
On the 12th September, 1996, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), entered into a joint venture agreement with Redfire Resources NL, which enabled Ashton to undertake exploration for diamonds within Exploration Licence 8520.

Exploration Licence 8520 was granted to Redfire Resources NL on the 16th October 1995, for a period of six years. The licence, originally covered an area of 30 blocks but was partially relinquished to 15 blocks in September 1997. It is located on the Bauhinia Downs (SE53-03), Robinson River (SE53-04) and Calvert Hills (SE53-08 1:250,000 map sheets. A tenement location map showing the relinquished and retained areas is shown in Figure 1.

A statement of expenditure is included in this report.



 Retained portion
 Relinquished portion



ROBINSON RIVER
 SE53- 4
 CALVERT HILLS
 SE53- 8

**ASHTON MINING LIMITED
REDFIRE RESOURCES N.L.**

**EXPLORATION LICENCE 8520
PARTIAL RELINQUISHMENT
FIGURE 1
LOCATION MAP**

JANUARY, 1998

2.0 DIAMOND EXPLORATION

2.1 Data Review

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

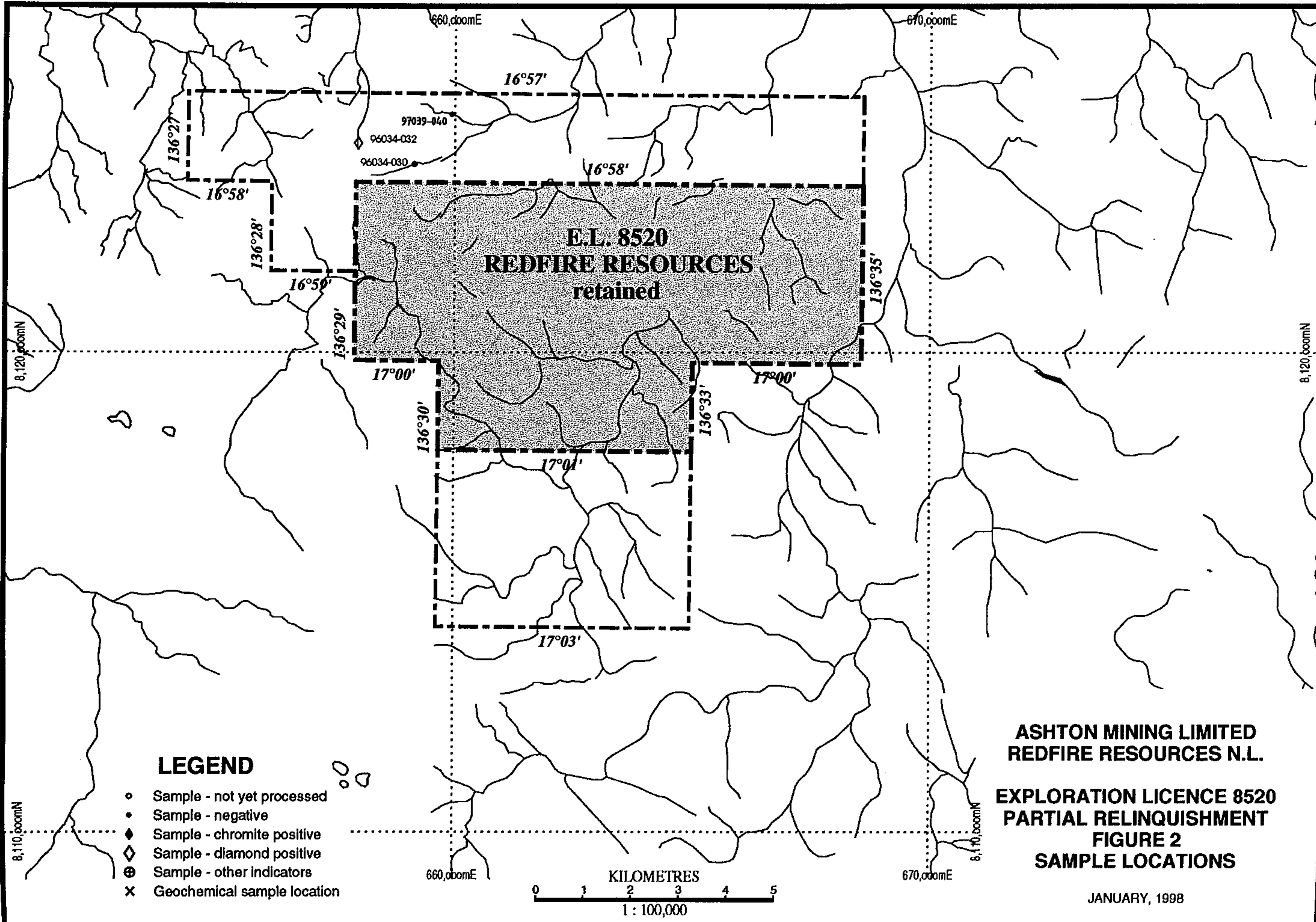
2.2 Sampling Programme

Following review of available data, a reconnaissance sampling programme was implemented within EL 8520. Two samples were collected from the relinquished area, and dispatched to Ashton's Perth laboratory for indicator and microdiamond analysis. Processing returned one positive result, containing a microdiamond. A follow-up sample was collected from the vicinity of the positive sample, however a negative result was returned.

Sample locations are shown in Figure 2. A full listing of sample results is provided in Appendix 1.

2.3 Sampling Method

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 was chosen for sampling.



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

2.4 Laboratory Procedure

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

The heavy liquid used is tetrabromethane with a specific gravity of 2.96. The concentrates were 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 EXPLORATION EXPENDITURE

Diamond exploration expenditure for the period 12th September, 1996 to 15th October, 1997 over the relinquished area amounted to \$ 8,208. A detailed breakdown of expenditure is given in Appendix 2.

4.0 CONCLUSIONS

Work undertaken within EL 8520, has produced chromite positive samples, located in the central region of the tenement. Additional follow-up to locate a source for the indicators will continue to be concentrated in this area. Sampling carried out in the relinquished ground did return one positive result, however, follow-up sampling failed to repeat the result.

5.0 REFERENCES

Kammermann, M. (November 1997) Annual report, Exploration Licence 8520
"Surprise", 16th October, 1996 to 15th October, 1997. Ashton Mining Limited.
Report No.52161

APPENDIX 1

Sample Results

Sample Results for EL 8520

Relinquishment Report for the period 12/09/96 to 15/10/97

Sample	SampleType	Result	Diamond		Chromite	Other
			Micro	Macro		
96034-030	G	NEG	-	-	-	-
96034-032	G	POS	1	-	-	-
97039-040	G	NEG	-	-	-	-

G = Gravel

APPENDIX 2

Statement of Expenditure

STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 8520

Relinquishment Report

For the period
12th September, 1996 to 15th October, 1997

Geoscientist/Professional Staff	1,388
Field Support/Office Staff	819
Travel/Accommodation/Meals	884
Field Supplies	239
Equipment	190
Vehicles	615
Freight/Storage	147
Helicopter Charter	1,950
Laboratory	1,074
Drafting/Computing	123
Other	33
Sub-Total	<hr/> 7,462
Overheads	746
Total:	<hr/> <hr/> \$ 8,208