

RELINQUISHMENT REPORT
EXPLORATION LICENCE 8745

12th September, 1996 to 5th October, 1996

Licensee: Perilya Mines NL

Operator: Ashton Mining Limited
Perilya Mines NL

Sheet Reference: 1:250,000 Bauhinia Downs (SE53-03)

Submitted to: Department of Mines and Energy, Darwin

Copies to: Redfire Resources NL
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December, 1996
Report Number: 51532

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SUMMARY

During the period 12th September, 1996 to the 5th October, 1996, Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), carried out an exploration programme over Exploration Licence 8745. The licence was granted to Perilya Mines NL, however through the Diamond Joint Venture, Ashton Mining has gained access to the tenement to conduct diamond exploration. The licence has been reduced from 13 to 7 blocks and this report provides details of work undertaken by Ashton Mining Limited within the relinquished portion of the licence.

Ashton Mining undertook stream gravel sampling. Two gravel samples were collected within the relinquished portion and sent to Ashton's Perth laboratory for processing. Both samples are negative.

Exploration expenditure for the reporting period within the relinquished area amounted to \$1,123.

KEYWORDS:

Diamond exploration; Gravel sampling

LOCATION:

Bauhinia Downs (SE5303); Batten (6065)

1.0 INTRODUCTION

Ashton Mining Limited, on behalf of the Australian Diamond Exploration Joint Venture (ADE JV), entered into a joint venture with Redfire Resources NL, on the 12th September, 1996. This agreement enabled the ADE JV to carry out its search for diamond bearing kimberlitic intrusives within several of Redfire's and its associated company, Perilya Mines NL's tenements including Perilya's tenement, Exploration Licence 8745. The joint venture is referred to as the Diamond Joint Venture.

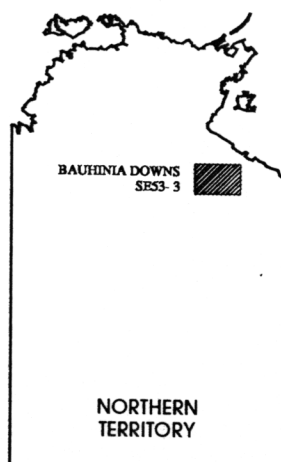
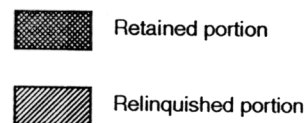
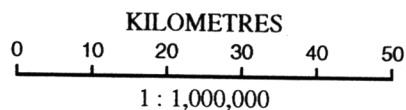
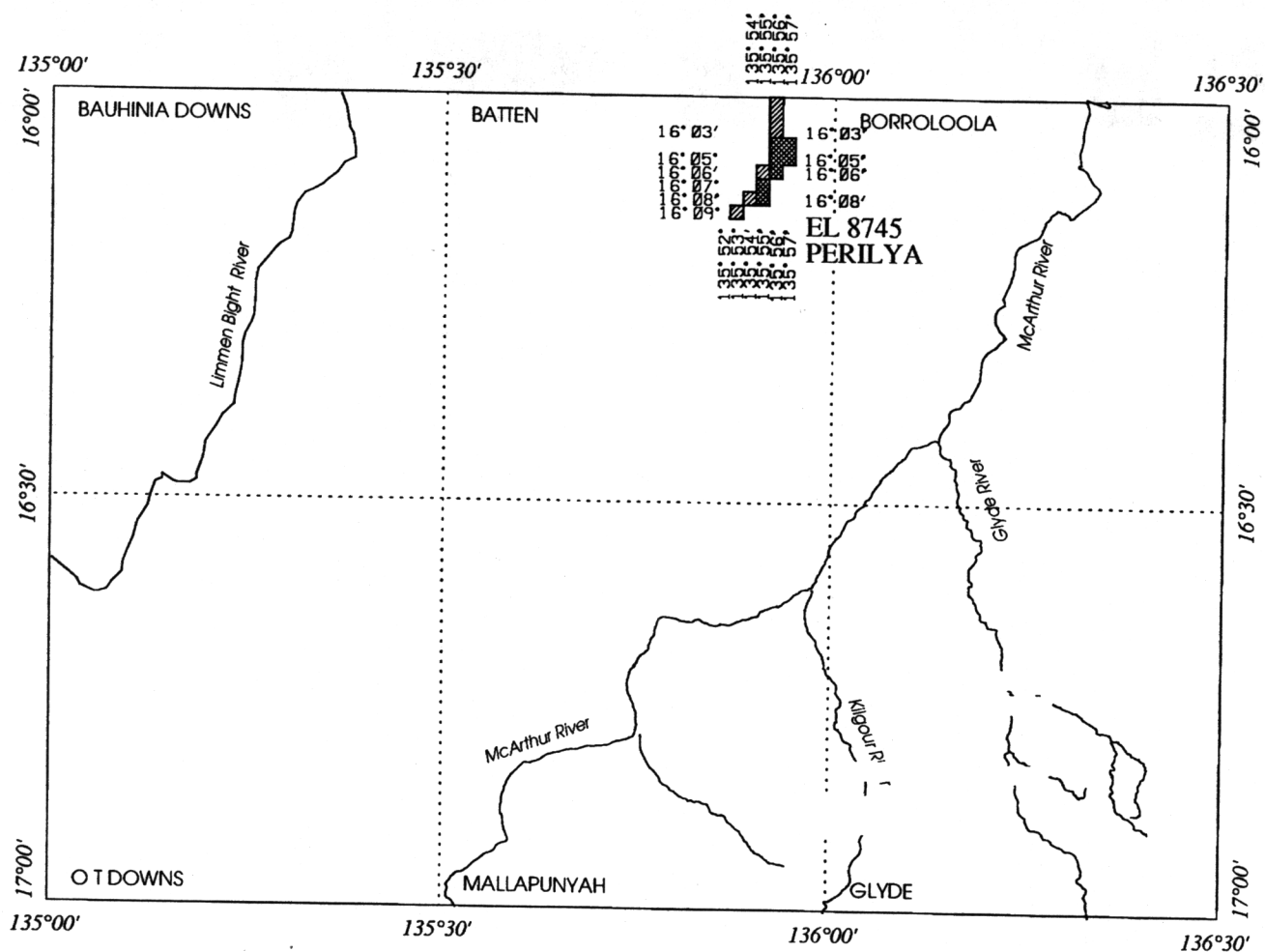
Exploration Licence 8745 was granted on the 6th October, 1994. The licence was reduced by six blocks, from 13 to seven blocks (22.47 km²) in October, 1996. The licence is located on the Bauhinia Downs (SE53-03)1:250 000 map sheet (Figure 1).

This report provides a summary of work undertaken by Ashton Mining within the relinquished area of the licence during the period 12th September, 1996 to 5th October, 1996. A statement of expenditure is included in this report.

2.0 DIAMOND 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 Batten 1:100 000 map sheet.



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FIGURE 1
LOCATION MAP**

DECEMBER, 1996

2.2 Gravel Sampling

During the reporting period, Ashton Mining conducted a reconnaissance stream gravel sampling programme which collected two samples within the relinquished area of the licence. Both samples are negative.

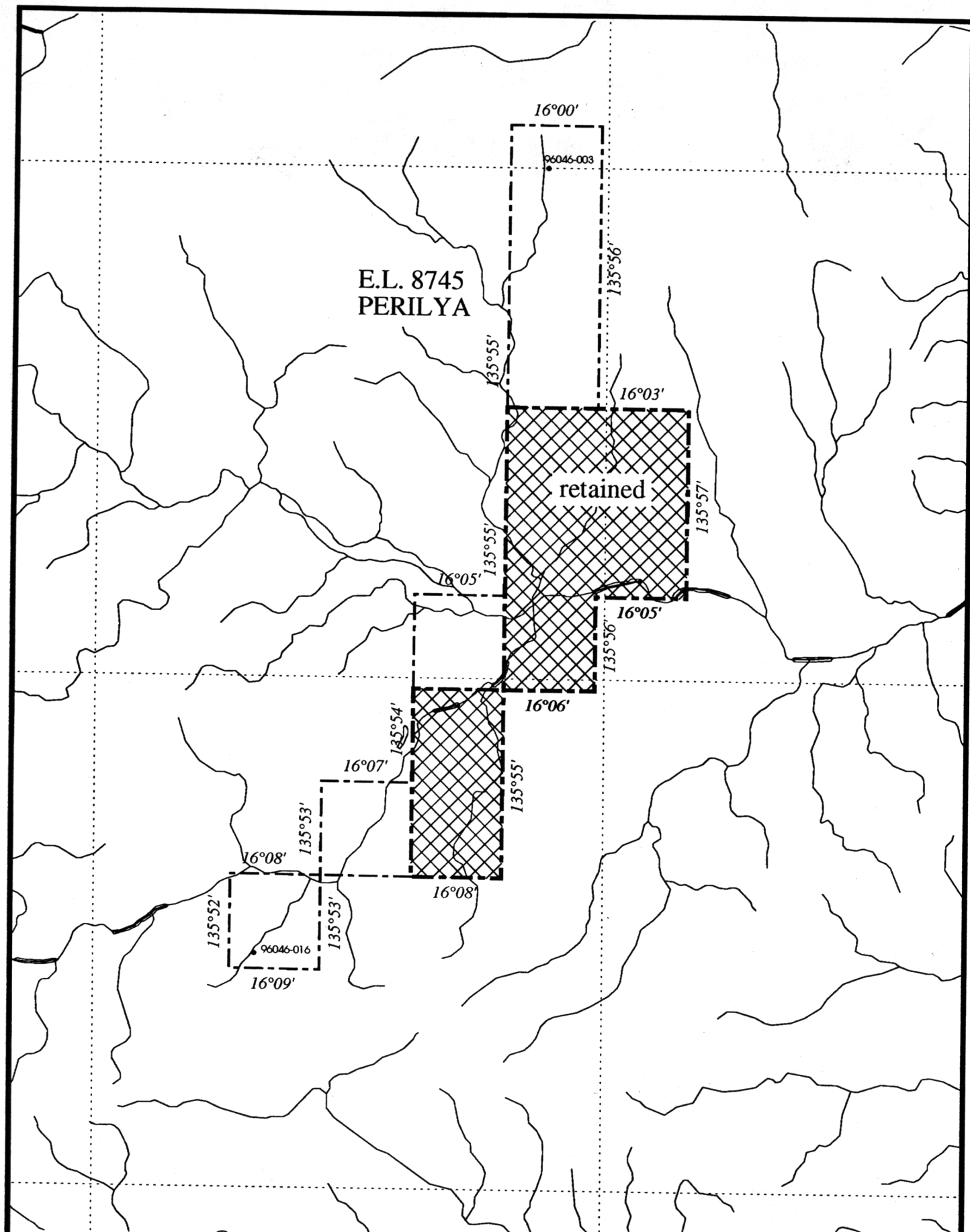
Sampling was completed using helicopters as they are the most practical mode of transport with the advantage of ease of access and navigation. They also enable the geologist to scan the area for prospective trap sites. The best quality heavy mineral trap in the vicinity of the pre-selected site is chosen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

Sample locations are provided in Figure 2. A sample listing is provided in Appendix 1.

2.3 Laboratory Procedure

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



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

0 1 2 3 4 5
KILOMETRES
1 : 100,000

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FIGURE 2
SAMPLE LOCATIONS

DECEMBER, 1996

The heavy liquid used is tetrabromethane with a specific gravity of 2.96. The concentrates will then be 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 that caused substantial disturbance was undertaken. Therefore no rehabilitation was necessary.

4.0 EXPLORATION EXPENDITURE

Exploration expenditure for the period 12th September, 1996 to 5th October, 1996 amounted to \$1,123. A detailed breakdown of expenditure is given in Appendix 2.

5.0 CONCLUSIONS AND RECOMMENDATIONS

As the the joint venture agreement was signed near the end of the current reporting period very little field work was completed. The two samples are negative and no further work in these areas is warranted. Relinquishment was recommended.

6.0 REFERENCES

Rogers, T C (Oct-1996) Annual report, Exploration Licence, 8745, 12th September, 1996 to 5th October, 1996. Ashton Mining Limited. Report No.51476

APPENDIX 1

Sample Results

EL 8745 RESULTS

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Sample	Type	Result	Diamond Macro	Micro	Chromite	Other
96046-003	G	neg	-	-	-	-
96046-016	G	neg	-	-	-	-

NOTE: G = gravel sample

APPENDIX 2

Statement of Expenditure

STATEMENT OF EXPENDITURE

EXPLORATION LICENCE 8745

Relinquishment Report

For the period
12th September, 1996 to 5th October, 1996

Geoscientist/Professional Staff	75
Travel/Accommodation/Meals	32
Field Supplies	49
Vehicles	313
Helicopter Charter	552
Sub-Total	<hr/> 1,021
Overheads	102
Total:	<hr/> <hr/> \$ 1,123 <hr/> <hr/>