

My Ref: 04.134

30 September, 2004

Titles - Copy on file (already)  
TG - Copy of Re:- expenditure  
TAB - VOC.

Simone Moore  
Mining Registrar  
Titles Maintenance Unit  
Titles Administration Division  
Department of Business, Industry and Resource Development  
Centrepoint Towers  
The Mall  
DARWIN NT 0800

Dept. Business, Industry  
& Resource Development

22 NOV 2004

Dear Simone,

Received: Titles Division  
Minerals & Energy Group

**EXPLORATION LICENCE 7294**  
**ASHTON MINING LIMITED**

The fourth anniversary of the subject licence occurred on 30 October, 2004 and the Annual Report for Year 4 was lodged with the Geological Survey by e-mail on Friday 19 November, 2004. The Relinquishment Report in respect of the blocks relinquished from the licence was also lodged at the same time.

This licence is subject to the Batten Trough Farm-In and Joint Venture Agreement between Ashton Mining Limited (and other Rio Tinto companies) and Anglo American Exploration (Australia) Pty Ltd. This Agreement has been registered by the Department. Under this Agreement, Anglo American Exploration (Australia) is carrying out work on this licence and they also prepared and lodged the Annual Report.

Expenditure for this licence for Year 4 amounted to \$4,335.00 as against a covenant of \$70,000.00. The reasons for the shortfall in expenditure were as follows:-

- There was little opportunity to undertake field work in 2003 due to the Joint Venture Agreement with the Rio Tinto Group being finalised late in the field season.
- Field activities in 2004 have been delayed until June due to the excessively long wet season. Anglo American had originally planned to be in the field during April however serious field work only commenced in mid-late June.
- Field exploration activities during 2004 were concentrated on other licences within the Project area. Minor broad-scale reconnaissance field work was conducted on EL 7294 during the 2004 field season. Since the Joint Venture Agreement was finalised in 2003, most activity has been associated with data gathering and review, geoscientific desk top studies, organising ground access and minor reconnaissance work and logistical preparation for the next field season.

CR 2004 0585

319

2.

In accordance with section 172 of the Mining Act, application is made for a variation of the expenditure covenant for Year 4 of EL 7294. The required variation fee of \$50.00 is enclosed.

Yours sincerely,



**ROSS MCCOLL  
FOR AND ON BEHALF OF  
ASHTON MINING LIMITED AND  
ANGLO AMERICAN EXPLORATION (AUSTRALIA) PTY LTD**

CR2004 0585