



**ASHBURTON  
MINERALS LTD**

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28 March 2012

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

*by electronic lodgement*

## **Ashburton Minerals Ltd ("Ashburton" or "the Company")**

Dear Sir/Madam

### **PLACEMENT AND NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE**

The board of Ashburton is pleased to announce that it is finalising a placement to sophisticated and professional investors of 73,568,504 ordinary shares at an issue price of 0.5 cents per share, and 36,784,252 free attaching options with an exercise price of 1.0 cent and an expiry date of 30 April 2014 to raise \$367,842 ("Placement").

In addition, the Company intends to undertake a non-renounceable pro rata rights issue to all eligible shareholders of 161,850,709 ordinary shares at an issue price of 0.5 cents per share, on the basis of 1 share for every 5 shares held, and 80,925,534 free attaching options on the basis of 1 attaching option for every 2 shares applied for, to raise a further \$809,253 ("Rights Issue"). The options will be exercisable at 1.0 cent each expiring on 30 April 2014.

The funds will be applied to a drilling program at the Mt Webb IOCG copper project, to ongoing evaluation of new opportunities to acquire a flagship project, and to general working capital.

The 0.5 cent issue price under the Placement and the Rights Issue represents a 16.7% discount to the volume weighted average trading price of 0.6 cents over the past 30 days.

The Company will seek quotation of the New Shares and the New Options.

#### **Placement**

Settlement of the Placement is expected to occur on 30 March 2012 with new shares allotted at that time. The new shares will commence trading on the ASX shortly thereafter.

The Placement shares will be issued utilising the Company's '15% capacity' under Listing Rule 7.1 and therefore shareholder approval will not be required.

#### **Rights Issue**

The Rights Issue will comprise the issue of up to 161,850,709 shares on the basis of 1 share for every 5 shares held and 80,925,354 free attaching options on the basis of 1 option for every 2 shares applied for. The options will be exercisable at 1.0 cent, expiring on 30 April 2014.

A rights issue is the preferred method for the Company to raise funds as it provides opportunities to eligible shareholders to take up new shares. The Company's past rights issues have been strongly supported by shareholders. It is the intention of all Directors to take up their entitlement under the offer.

The Company is in discussions with parties who may fully or partially underwrite the Rights Issue. The Company will announce details of the underwriting and a timetable for the Rights Issue once discussions have been concluded.

### **Use of Funds**

The funds will enable the Company to commence an exploration drilling program at the Pokali prospect at Mt Webb, where it has previously identified a broad zone of anomalous copper mineralisation, eg, 246 m @ 0.22% Cu, but which includes a higher-grade zone of 62 m @ 0.40% Cu. The work program is expected to commence in the June 2012 quarter and will test a new copper anomaly defined by a geochemical survey completed late in 2011. The anomaly, defined by a 1,000 ppm (0.10%) copper contour, is 400 m x 100 m in size and lies adjacent to the abovementioned zone. Information to date indicates that copper grades increase in this direction, so the Company is looking forward to commencing this work with some excitement.

The Company is also actively investigating opportunities with a view to an acquisition of an advanced project in the gold and copper sectors.

With the release of this announcement we request that the Trading Halt on the Company's securities now be lifted.

Yours faithfully,



Tom Dukovcic  
**Managing Director**

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