



**ASHBURTON
MINERALS LTD**

ABN 99 008 894 442

www.ashburton-minerals.com.au

L1, 254 Railway Parade
West Leederville
Western Australia 6007

PO Box 1245
West Leederville
Western Australia 6901

T: 61 8 9363 7800

F: 61 8 9363 7801

E: info@ashmin.com.au



12 December 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

**NON-RENOUNCEABLE RIGHTS ISSUE - LETTERS TO ELIGIBLE SHAREHOLDERS
AND OVERSEAS SHAREHOLDERS**

We advise that the Company has today sent the attached letters to eligible shareholders and overseas shareholders in relation to the pro-rata non-renounceable rights issue announced on 10 December 2012.

Yours faithfully,

Rodney Dunn
Company Secretary

For further information, please contact:

Ashburton Minerals Ltd

Tel: +61 8 9363 7800

Fax: +61 8 9363 7801

Email: info@ashmin.com.au or visit our website: <http://www.ashmin.com.au>



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Dear Shareholder

Ashburton Minerals Limited – Details of Rights Issue for Shareholders

As announced on 10 December 2012, the directors of Ashburton Minerals Limited (**Ashburton**) have resolved to undertake a pro-rata non-renounceable rights issue of 1 fully paid ordinary share (**New Share**) for every 3 Ashburton shares at an issue price \$0.002 per New Share and 1 free attaching unlisted new option for every 3 New Shares issued (each new option having an exercise price of \$0.003 and expiring on 31 December 2014 (**New Options**)) (**Rights Issue**). The Record Date for the Rights Issue is 5.00pm (Perth time) on 19 December 2012 (**Record Date**). The Rights Issue is not underwritten and shareholder approval is not required. There is no broker to the Rights Issue but the Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid shortfall application lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

The Rights Issue will raise up to approximately A\$650,758 if subscribed for in full. The funds raised under the Rights Issue will be used to: (i) fund the costs of the Rights Issue; (ii) exploration work on some of the Company's projects; and (iii) general working capital.

The Rights Issue is to be implemented under a prospectus dated 10 December 2012 (**Prospectus**). The Prospectus will be sent to eligible shareholders shortly together with a personalised Entitlement and Acceptance form. **The Prospectus (without your personalised Entitlement and Acceptance form) has been lodged with ASX and is available on the Australian Securities Exchange (ASX) website and on Ashburton's website at www.ashmin.com.au.**

Summary of key features of the Rights Issue

The Rights Issue is open to eligible shareholders who bought shares before 19 December 2012 and held those shares as at the Record Date with registered addresses in Australia and New Zealand as defined in the Prospectus (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Rights Issue and will be notified by Ashburton separately (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to subscribe for New Shares and New Options under the Rights Issue. The Company's Ineligible Shareholders are in the United Arab Emirates, Brunei, Switzerland, Germany, the United Kingdom, Hong Kong, Indonesia, Ireland, the Philippines, Papua New Guinea, Singapore, Thailand and the United States of America.

Under the terms of the Rights Issue, Eligible Shareholders will be entitled to subscribe: (i) for 1 New Share for every 3 Ashburton shares bought before 19 December 2012 and held at the Record Date at an issue price of A\$0.002 per New Share and (ii) 1 free attaching New Option for every 3 New Shares subscribed for (**Rights**). Where fractions arise in the calculation of Rights, they will be rounded up to the nearest whole number of New Shares.

Eligible Shareholders may also apply for New Shares and New Options in excess of their Rights (**Additional New Shares and New Options**). Applications for Additional New Shares and New Options will be satisfied, wholly or partially, to the extent there is a shortfall in the Rights Issue and subject to any scale back by Ashburton.

If the Additional New Shares and New Options applied for exceeds the shortfall, Ashburton reserves the right to scale back allocations and allot any Additional New Shares and New Options amongst applicants for those shares as it determines. Therefore, your application for Additional New Shares and New Options may not be successful (wholly or partially). There is no guarantee that you will receive any Additional New Shares and New Options. The decision of Ashburton on the number of Additional New Shares and New Options to be allocated to you will be final. If applications are not received from Eligible Shareholders for all New Shares and New Options, Ashburton reserves the right to allot those New Shares and New Options at their discretion within 3 months after the close of the Rights Issue and at a price no less than the Offer Price.

Ashburton reserves the right to reduce the number of New Shares and New Options allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

The New Shares and Additional New Shares will rank equally with the existing ordinary shares (**Shares**) from the date of issue. The New Options will have an exercise price of \$0.003 and will expire on 31 December 2014.

The current number of Shares on issue in Ashburton is approximately 976,137,558. Under the Rights Issue, up to approximately 325,379,186 New Shares will be issued and the number of Shares on issue at the completion of the Rights Issue will be up to approximately 1,294,850,009.

Ashburton currently has 117,676,368 listed options (each option exercisable at \$0.01 on or before 30 April 2014), and 20,500,000 unlisted options with varying exercise prices and expiry dates, on issue. Existing optionholders may participate in the Rights Issue upon exercise of their options. The Company sent a notice to optionholders on 10 December 2012 notifying them of their right to participate in the Rights Issue upon exercise of their options.

Under the Rights Issue, up to approximately 108,459,728 unlisted New Options (each New Option having an exercise price of \$0.003 and expiring on 31 December 2014) will be issued. On completion of the Rights Issue, the number of unquoted options on issue will increase to approximately 128,959,728.

The Rights Issue is non-renounceable, therefore you cannot sell your Rights.

Indicative Timetable

The indicative timetable for the Rights Issue is as follows:

Summary of Important Dates*	
Announcement of Rights Issue	10 December 2012
Lodgement of Prospectus with ASIC	10 December 2012
Shares quoted ex-Rights	13 December 2012
Record Date to determine Entitlements	19 December 2012

Opening Date and despatch of Prospectus	21 December 2012
Closing Date	10 January 2013
Notification to ASX of under-subscriptions	15 January 2013
Allotment of New Shares and New Options and dispatch of holding statements	18 January 2013

The above timetable is indicative only and subject to change. Ashburton reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, Ashburton reserves the right to extend the closing date of the Rights Issue, to accept late applications either generally or in particular cases or to withdraw the Rights Issue without prior notice. The commencement of quotation of New Shares and New Options is subject to confirmation from ASX.

More information

Before making a decision whether to apply for New Shares and New Options, please read the Prospectus carefully in its entirety when you receive it. The Rights Issue is scheduled to close at 5:00pm (Perth time) on 10 January 2013.

The Directors of Ashburton recommend that if you are in doubt as to the value of the Rights Issue then you should contact your financial adviser.

If you have any queries in relation to the Rights Issue, please do not hesitate to contact Rodney Dunn, the Company Secretary on (08) 9363 7800.

Yours faithfully



Rodney Dunn
Company Secretary

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "U.S. Person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (Securities Act)) ("U.S. Person"). Neither the Rights nor the New Shares and New Options have been or will be registered under the Securities Act and may not be offered or sold in the United States or to U.S. Persons, absent registration or an exemption from registration under the Securities Act or pursuant to a transaction not subject to the registration requirements of the Securities Act.

Neither this notice nor any other documents relating to the offer of New Shares and New Options may be sent or distributed to persons in the United States.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser



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Dear Shareholder

Notice to Overseas Shareholders of Rights Issue

We write to you as the registered holder of Ashburton Minerals Limited (Ashburton or Company) shares (ASX code: ATN) as at today's date. As announced on 10 December 2012, the Directors of Ashburton have resolved to undertake a pro-rata non-renounceable rights issue of approximately 325,379,186 New Shares on the basis of one New Share for every 3 Shares held on the Record Date at an issue price \$0.002 per New Share and 108,459,728 unlisted New Options on the basis of one free attaching New Option for every 3 New Shares issued with each New Option having an exercise price of \$0.003 and expiring on 31 December 2014, to raise up to approximately \$650,758 (Offer).

The Offer is available to Ashburton shareholders registered on the Record Date and who reside in Australia or New Zealand.

The Offer is being made pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission on 10 December 2012 (Prospectus). The Prospectus is available at the Company's website: www.ashmin.com.au or on the ASX website (company announcements section, ASX code: ATN) at www.asx.com.au.

In accordance with the Listing Rules of the Australian Securities Exchange, the Company has considered the number of shareholders with registered addresses outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to shareholders with registered addresses outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Offer to those shareholders.

Accordingly, Ashburton is unable to extend to you the opportunity to participate in the entitlements issue.

If you have any questions in relation to the above, please do not hesitate to contact the Company Secretary on (61 8) 9363 7800.

Yours faithfully

Rodney Dunn
Company Secretary