



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

31 July 2013

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



by electronic lodgement

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

QUARTERLY ACTIVITIES REPORT Q4, for the period ending 31 July 2013

SUMMARY

Exploration – during Quarter:

- Election to proceed with farm-in at Mt Andrew
- 50% interest earned by meeting expenditure and issuing 25 million shares

Exploration – subsequent to Quarter end:

- Two high priority EM targets confirmed at Mt Andrew as likely bedrock conductors
- Terrain Minerals agrees to sole fund \$170,000 of exploration expenditure to drill EM targets so as to farm into 50% of Ashburton's equity in Mt Andrew project

Corporate:

- **Placement** completed, raising \$450,000
- **Proposed acquisition** of unlisted Platypus Resources to access prospective **copper-gold properties in Peru**

*Ashburton Minerals Ltd is an Australian based resources company primarily focused on exploration and development of quality projects that are demonstrably mineralised and are deemed by the Company to be prospective for large economic deposits that could generate long-term returns to shareholders. The Company is currently focused on the **Mt Webb IOCG copper project** and the **Mt Andrew gold-base metal project**, both in Western Australia.*

EXPLORATION

MT ANDREW PROJECT, FRASER RANGE, WA (Au, Ni-Cu; 50%, earning 85%)

During the quarter under review, on 2 April 2013, Ashburton met its obligations under the Mt Andrew farm-in agreement and earned a 50% interest in the project, as reported in the previous quarter's Activities Report on 30 April 2013.

Subsequent to quarter end, Ashburton signed an agreement with ASX-listed Terrain Minerals Limited (ASX:TMX) ("Terrain") whereby Terrain can earn 50% of Ashburton's interest in the Mt Andrew project by sole funding \$170,000 of exploration expenditure, specifically aimed at eventual drill testing of at least two high priority EM anomalies identified within the project area by a VTEMmax survey commissioned by Ashburton earlier this year.

On spending the \$170,000, Terrain will earn half of Ashburton's current 50% interest in the project, being a 25% interest, and will earn the right to a future 50% of Ashburton's interest in the project by equally contributing to subsequent spending commitments under a 50:50 joint venture agreement ("Terrain JV"). Under the Terrain JV, Ashburton and Terrain can each earn a 42.5% interest in the Mt Andrew project, with the vendors retaining 15%. From that point, expenditure would be under a standard pro-rata contributing joint venture by all parties. Should the vendors' interest dilute to below 5%, it would convert to a 2% net smelter royalty.

The VTEMmax survey was flown over a section of the Fraser Complex, the geological unit that hosts the Nova-Bollinger nickel-copper deposit discovered by Sirius Resources. Interpretation of the data by geophysical consultants confirmed the presence of **two high priority EM targets**, such as might be due to **bedrock conductors** representing massive and/or stringer sulphide mineralisation. Both targets are sub-vertical and close to surface, being readily amenable to drilling. A full description was provided in the announcement titled "High priority EM targets at Mt Andrew" released on 16 May 2013.

The programme of works to be funded by Terrain will be managed by Ashburton and will commence immediately. The initial phase of work will include an environmental clearance survey and a heritage survey ahead of a possible ground-based EM survey to refine target location prior to commencement of drilling. Depending on time and cost, an additional two lower priority EM anomalies might also be drilled. The entire programme is expected to take around three months to complete.

Ashburton is very pleased to have ensured the progress of the next phase of exploration at Mt Andrew without additional cost burden to the Company. The two priority EM anomalies represent exciting drilling targets and the Company looks forward with some anticipation to working with Terrain on this next phase of exploration at the Mt Andrew project.

MT WEBB IOCG, WA (100%; earning 90%)

No work was undertaken over the Mt Webb project during the quarter.

CORPORATE

PERU ACQUISITION – PLATYPUS RESOURCES LIMITED

Subsequent to quarter end, and as reported to ASX in detail on 29 July 2013, Ashburton entered a conditional, non-binding term sheet ("Terms") under which it proposes to acquire unlisted Australian explorer Platypus Resources Limited ("Platypus"). Platypus holds rights to acquire

approximately 23,450 ha of ground **prospective for epithermal and porphyry style copper-gold-base metal mineralisation** in the San Mateo Mining District, situated 100 km east of Lima, in the midst of an extensively mineralised district of Peru (Figure 1).

Platypus has secured access to exploration properties in Peru through an agreement dated 1 May 2013 with Minera Chanape S.A.C., a Peruvian company (“Minera Chanape”). Platypus owns 10% of Minera Chanape, and has the rights to purchase the remaining 90% of the shares in Minera Chanape that it does not currently hold as set out below:

- a) a further 25% by cash payment to Minera Chanape of \$2.5 million over 4 years at the rate of \$0.5 million per year for the first three years and \$1 million in the fourth year;
- b) a further 35% by concurrent expenditure on exploration of \$4 million over 5 years at the minimum rate of \$0.5 million per year in years 1 and 2, and \$1 million per year in years 3, 4 and 5;
- c) 20% upon proving up an Inferred Resource of 1 million oz gold equivalent minerals by paying to the Minera Chanape Shareholders a sum to be agreed, or failing agreement, a sum determined by an independent valuer; and
- d) 10% upon proving up an Indicated Resource of 1 million oz gold equivalent minerals by paying to the Minera Chanape Shareholders a sum to be agreed, or failing agreement, a sum determined by an independent valuer.

The primary property being acquired by Ashburton, via Platypus, is situated central to a historical mining area that contains numerous historical gold, copper, silver and base metal mines, several of which persisted as artisanal operations into the early 1990s.

The district has been variously explored in the past, mainly by Canadian companies, and is today marked by the presence of a number of explorers, including ASX-listed Inca Minerals (ASX:ICG) which is exploring its Chanape project, and Sandfire Resources (ASX:SFR) who holds adjacent ground.

Inca recently reported some outstanding drilling results at Chanape that confirmed the presence of porphyry-style copper mineralisation (220 m @ 0.13% Cu and 120 ppm Mo, from 380 m to end of hole at 600 m) beneath a shallower zone of epithermal gold mineralisation (108 m @ 2.0 g/t Au and 413 g/t Ag from surface)¹.

One block of Platypus tenements (approx. 3,450 ha) entirely surrounds the Inca Minerals Chanape project area (805 ha) and contains extensions of geological, geophysical and geochemical trends seen in the central Chanape area (Figure 2). Platypus has also secured an additional 20,000 ha adjoining the regional extensions held by Inca and Sandfire, thus making Platypus one of the dominant ground holders in the San Mateo Mining District (Figure 3).

Additionally, Platypus is finalising the acquisition of a further two project areas totalling about 33,000 ha in another part of this resource rich country, details of which remain to be concluded.

PLATYPUS TERMS

Under the Terms, Ashburton will call a general meeting of its shareholders to seek approval under listing rules 11.1.2 for the issue of approximately 1,750 million Ashburton shares to the Platypus shareholders to acquire all of the issued shares in the capital of Platypus such that Platypus would become a wholly owned subsidiary of the Company.

¹ Inca Minerals Ltd ASX announcement dated 27 February 2013, and Quarterly Activities Report dated 30 April 2013

As part of the agreed Terms, Ashburton will make available to Platypus a \$100,000 loan to enable Platypus to conduct its business in the period through to completion of the acquisition. The loan will be unsecured and will attract interest at a rate of 8% per annum, and will be repayable at call if completion of the Acquisition does not occur.

Platypus and its majority shareholders have agreed to deal exclusively with Ashburton for a period of 3 months in relation to the sale of Platypus.

Upon completion, the Platypus shareholders will in aggregate hold 53.28% of the issued capital in Ashburton and the largest Platypus Shareholder (Circum-Pacific Holdings Limited) will hold 15.04% of the issued capital in Ashburton.

Two representatives of Platypus, Mr Laurie Ziatas and Mr Dennis Trlin, will be appointed to the Board of Ashburton. Mr Rick Crabb will continue as Chairman and Mr Tom Dukovic will remain as Managing Director. At this stage, it is contemplated that Mr Peter Bradford would resign from the Board following completion.

There are no current relationships between Ashburton and Platypus or with any of the Platypus shareholders and the parties are therefore unrelated.

Also subject to shareholder approval at the general meeting, if approval by shareholders is given for the issue of shares to the Platypus shareholders, Ashburton will change its name to Platypus Minerals Limited.

At some point following completion of the Acquisition, Ashburton will undertake a rights issue to raise approximately \$1,500,000 at a ratio and price to be determined at the time of launch of the rights issue having regard to market conditions at that time.

PLACEMENT FUNDRAISING

Also subsequent to quarter end, Ashburton completed two placements raising \$450,000 before costs. Both placements were made under the Company's "15% + 10%" capacity pursuant to listing rules 7.1 and 7.1A and therefore do not require shareholder approval.

Part of the placement, comprising \$330,000, was arranged by DJ Carmichael for which a fee of 6% is payable. These funds will be used in part to satisfy the Company's commitment to provide a loan facility of \$100,000 to Platypus; to initiate work on Ashburton's Mt Andrew project; and for working capital mainly associated with administrative matters related to the corporate transaction with Platypus. The remaining \$120,000 of the placement was organised directly by the Company and will not attract a fee. These funds will be applied to the Mt Andrew work program, to corporate costs, and to general working capital.

The placement of 225,000,000 shares was made at an average price of 0.2 cents per share. This was achieved through the issue of 112,500,000 shares at 0.1 cents per share utilising the Company's existing capacity under listing rule 7.1 (15% rule), and the issue of 112,500,000 shares at 0.3 cents per share utilising the Company's capacity under listing rule 7.1A (10% rule). This somewhat unusual step was taken because issues under 7.1A cannot be less than 75% of the 15 day volume weighted average price, which is 0.2718 cents and would require an issue at no less than 0.2038 cents. As it is not possible to round down the issue price, it was decided to issue these shares at 0.3 cents each and to issue an equivalent amount at 0.1 cents under 7.1, which issues do not have a constraint on price.

These placements and the exploration spending commitment by Terrain have together secured the mid-term financial position of the Company. In addition, at the same upcoming general meeting referred to above, Ashburton will seek shareholder approval to convert a loan of \$200,000 made to the Company by director Peter Bradford, and which has been fully drawn down during the quarter, into 100 million Ashburton shares at 0.2 cents per share.

The Company is pleased with the strong level of support it has received for the fundraisings, the Platypus transaction and the recent introduction of a farm-in partner at Mt Andrew. These actions have secured the advancement of exploration at the Mt Andrew project in the short-term and, in the longer-term, have placed the Company on an exciting new course to explore for copper-gold deposits within the rich western cordillera region of the Andes in Peru.

Yours faithfully,



Tom Dukovic
Managing Director

3 Figures follow

The information contained in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Tom Dukovic who is a Member of the Australian Institute of Geoscientists. Mr Dukovic is a full-time employee of the Company and has sufficient experience to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Dukovic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

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>.

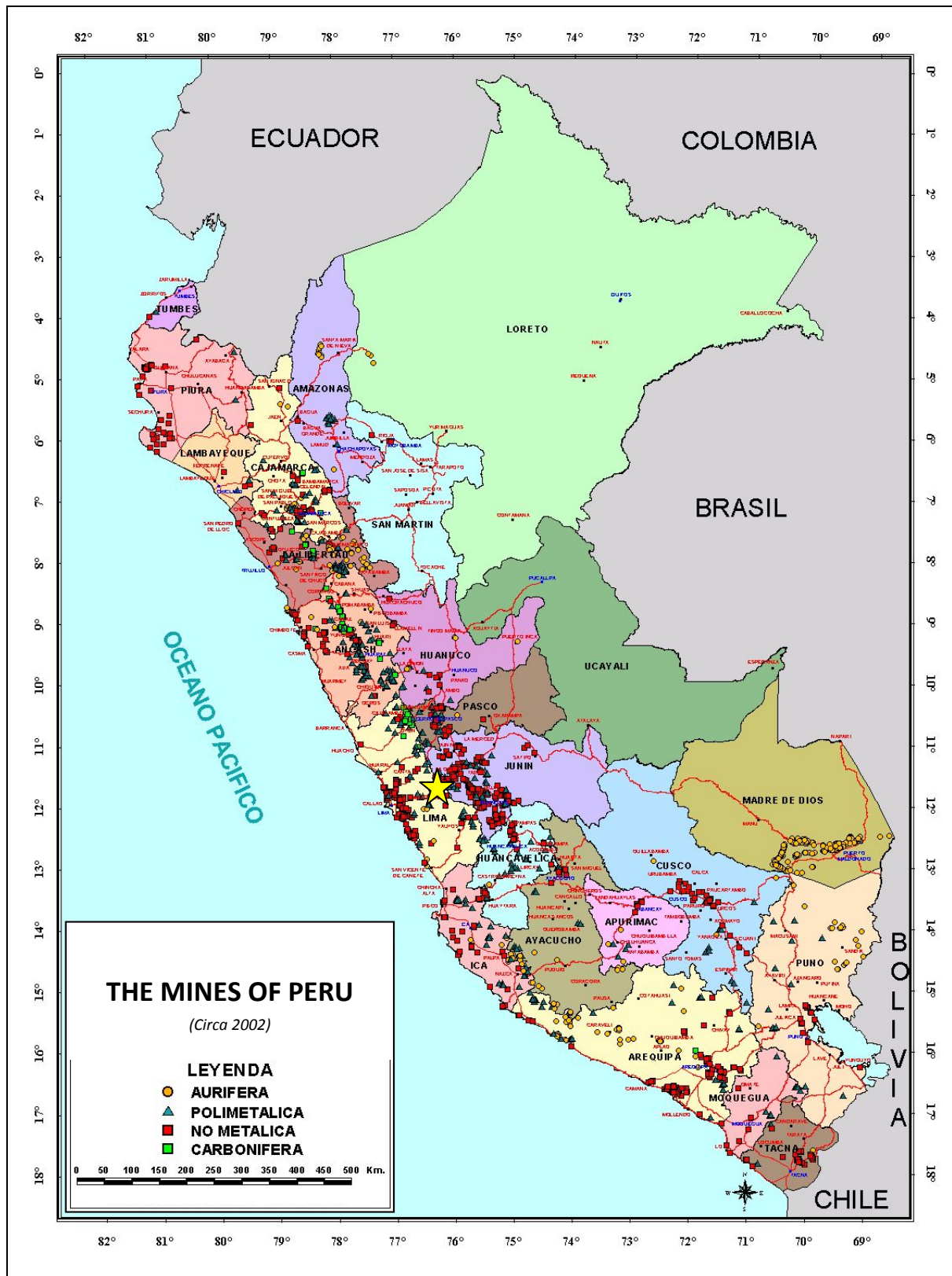


Figure 1. Map of Peru showing widespread and varied mineralisation. Location of Platypus Resources project shown by gold star. Chinalco's giant Toromocho deposit (1.5Bn t @ 0.48% Cu)² lies 30 km further east.

²Chinalco website: www.chinalco.com.pe/es/operaciones

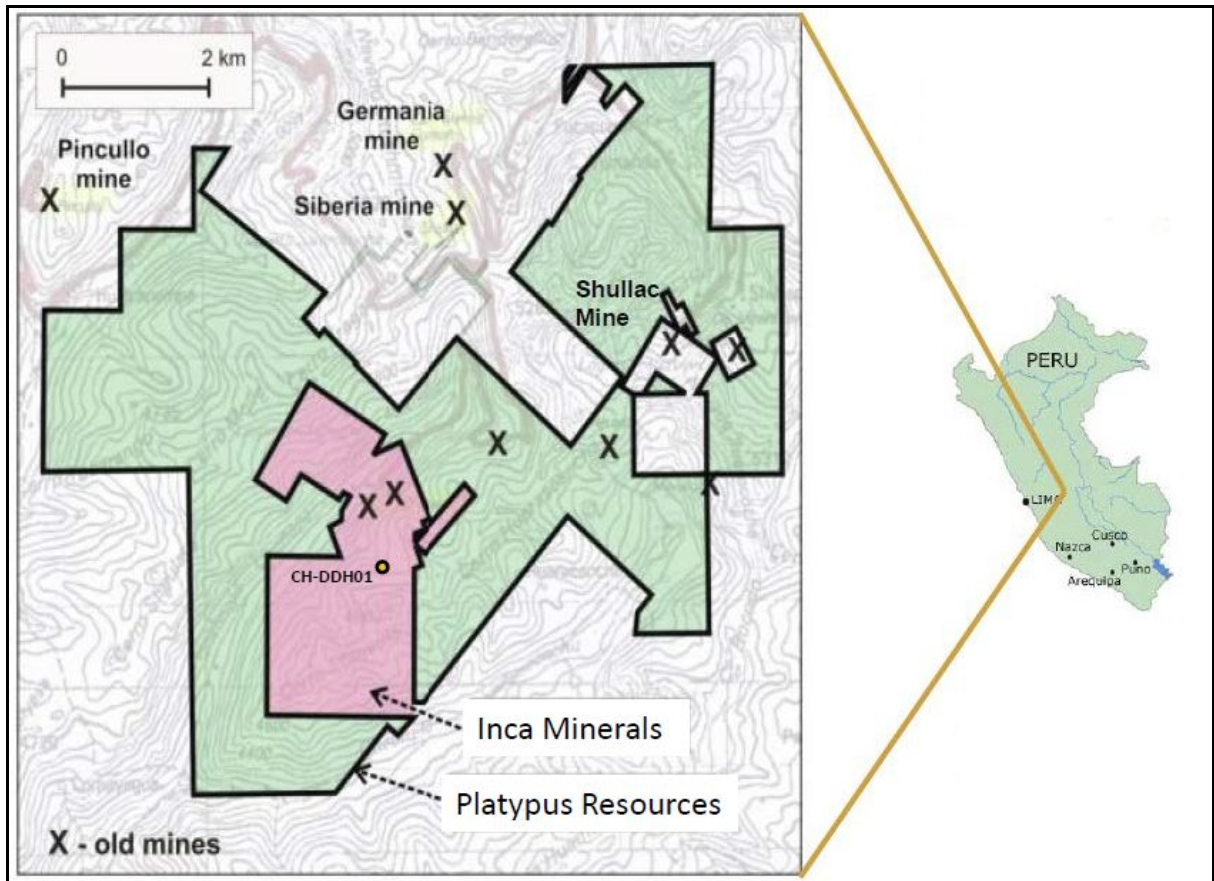


Figure 2. Location of Platypus tenements in relation to the Inca Minerals 'Chanape' project.

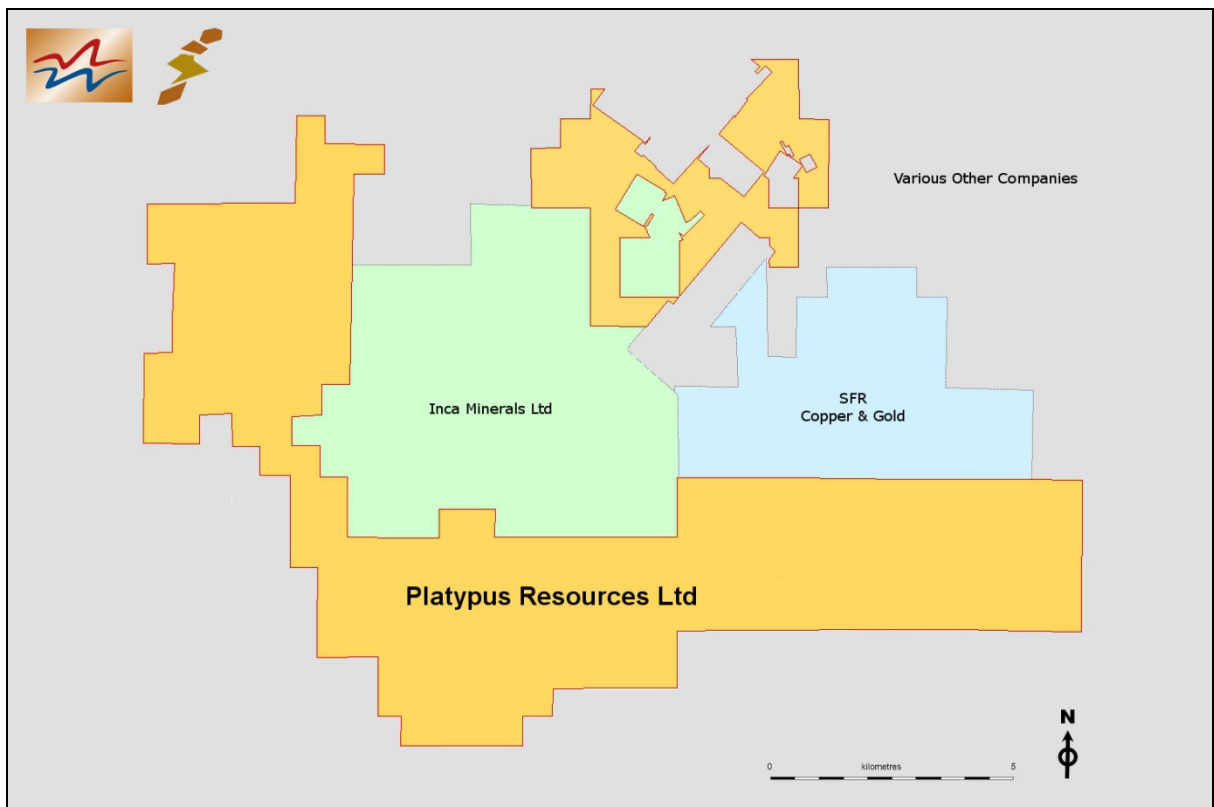


Figure 3. Selected tenement holdings in the San Mateo Mining District showing Platypus Resources (gold) Inca Minerals (green) and Sandfire Resources' subsidiary (blue).