

ASHBURTON MINERALS LTD

ABN 99 008 894 442

NOTICE OF GENERAL MEETING

TIME	9.00 am (WST)
DATE	28 June 2012
PLACE	Hotel Northbridge 210 Lake Street Northbridge, WA 6003

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9363 7800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Ashburton Minerals Ltd which this Notice of Meeting relates to will be held at 9.00 am (WST) on 28 June 2012 at:

Hotel Northbridge
210 Lake Street
Northbridge, WA 6003

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the proxy form by post to Ashburton Minerals Ltd, PO Box 1245, West Leederville, WA 6901; or
- (b) send the proxy form by facsimile to the Company on facsimile number (08) 9363 7801, so that it is received not later than 9.00 am (WST) on 26 June 2012.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that an General Meeting of Shareholders of Ashburton Minerals Ltd will be held at 9.00 am (WST) on 28 June 2012 at Hotel Northbridge, 210 Lake Street, Northbridge, WA 6003.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 9.00 am (WST) on 26 June 2012

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 73,568,504 Shares and 36,784,252 Options on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on resolution 1 by any person who participated in the issue and any associates of those persons. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – INCREASE IN DIRECTORS' FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.17, and for all other purposes, the maximum aggregate Directors' fees payable to non-executive Directors be increased from \$100,000 to \$200,000 per annum."

Voting Exclusion: The Company will disregard any votes cast on resolution 2 by any Director and any associates of a Director. However the Company need not disregard a vote if it is cast by a Director as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on resolution 2 unless:

- (a) the appointment specifies the way the proxy is to vote on resolution 2; or
- (b) the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the

remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of resolution 2. Shareholders may also choose to direct the Chair to vote against resolution 2 or to abstain from voting.

DATED:

A handwritten signature in black ink, appearing to be 'Rodney Dunn', written in a cursive style.

BY ORDER OF THE BOARD

**Rodney Dunn
COMPANY SECRETARY
ASHBURTON MINERALS LTD**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of the Company to be held at 9.00 am (WST) on 28 June 2012 at Hotel Northbridge, 210 Lake Street, Northbridge, WA 6003.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS

1.1 Background:

On 29 March 2012, the Company announced it was finalising a placement of 73,568,504 Shares at an issue price of 0.5 cents per Share (**Placement Shares**), and 36,784,252 free attaching Options with an exercise price of 1.0 cent with an expiry date of 30 April 2014 and otherwise on the terms set out in Schedule 1 (**Placement Options**) (**Placement**). On the same date, the Company also announced a non-renounceable rights issue to raise \$809,253 (which has now completed) (**Rights Issue**).

Funds raised under the Placement (along with funds raised under the Rights Issue) 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 Placement Shares and Placement Options were issued to sophisticated investors under the Company's 15% capacity.

Resolution 1 seeks the ratification of the allotment and issue of the Placement Shares and the Placement Options pursuant to Listing Rule 7.4.

1.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that, subject to certain exceptions, the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Under Listing Rule 7.4, an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with that approval for the purposes of Listing Rule 7.4 provided the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Accordingly, the Directors are seeking ratification under Listing Rule 7.4 of the issue of the Placement Shares and the Placement Options, in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to resolution 1:

- (a) the total number of securities allotted under the Placement was 73,568,504 Shares and 36,784,252 Options;
- (b) the price at which the Placement Shares were issued was 0.5 cents per Share and the Placement Options were issued with an exercise price of 1.0

cent and an expiry date of 30 April 2014 and otherwise on the terms set out in Schedule 1;

- (c) the Placement Shares rank equally in all respects with the existing Shares on issue and the Shares issued upon exercise of the Placement Options will rank equally in all respects with existing Shares on issue;
- (d) the Placement Shares and Placement Options were issued to sophisticated investors;
- (e) none of these parties are related parties or associates of the Company; and
- (f) funds raised under the Placement (along with funds raised under the Rights Issue) 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..

2. RESOLUTION 2 – INCREASE IN DIRECTORS’ FEES

Listing Rule 10.17 requires that a listed company obtain approval of its shareholders to increase the annual remuneration payments to non-executive directors.

The current maximum aggregate remuneration payment to non-executive Directors is \$100,000, which was approved by Shareholders at the Statutory Meeting of the Company on 23 June 1994.

Shareholder approval is sought under resolution 2 to increase the aggregate remuneration payment to non-executive Directors to \$200,000.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors given that this amount has not been increased since 1994.

It is not intended to fully utilise the increased aggregate fees in the immediate future

The remuneration of each Director for the year ended 30 June 2011 is detailed in the Company's 2011 Annual Report.

3. ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr Rodney Dunn, on (08) 9363 7800 if they have any queries in respect to the matters set out in this Notice.

GLOSSARY

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the Board of Directors.

Chair means the chairman of the Meeting.

Closely Related Party has the meaning given in the Corporations Act.

Company or **Ashburton Minerals Ltd** means Ashburton Minerals Ltd (ABN 99 008 894 442).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the General Meeting convened by the Notice.

Key Management Personnel has the meaning given in the accounting standards.

Listing Rules means the Listing Rules of the ASX.

Notice of Meeting or **Notice** means the Notice of General Meeting.

Option means an option to acquire a Share.

Placement has the meaning given to it in paragraph 1.1.

Placement Options has the meaning given to it in paragraph 1.1.

Placement Shares has the meaning given to it in paragraph 1.1.

Restricted Voter means the Key Management Personnel and their Closely Related Parties.

Rights Issue has the meaning given to it in paragraph 1.1.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Australian Western Standard Time.

Schedule 1

1. Exercise Date

The Options are exercisable wholly or in part at any time before 5.00pm WST on 30 April 2014. Options not exercised by that date shall lapse.

2. Exercise Price

Each Option shall entitle the optionholder to acquire one Share upon payment of the sum of \$0.01 per Option to the Company.

3. Notice of Exercise

Each Option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

4. Quotation of Options and Shares on Exercise

Application will be made to ASX for Official Quotation of the Options and the Shares issued on exercise of the Options. Subject to any escrow restrictions imposed by ASX upon the optionholder in respect of the Options, the Options are transferable as the optionholder thinks fits.

5. Participation Rights of Entitlements

There are no participating rights or entitlements inherent in the Options and optionholders will not be entitled to participate in new issues of securities offered to the Company's shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the issue is announced so as to give optionholders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

6. Shares Allotted on Exercise

Shares allotted pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other Shares.

7. Reorganisation of Share Capital

In the event of a reorganisation of the issued capital of the Company, the rights of the optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a re-organisation of capital at the time of the re-organisation.

8. Bonus Issues

If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the date for calculating entitlements to the pro-rata issue.

PROXY FORM

**APPOINTMENT OF PROXY
ASHBURTON MINERALS LTD
ABN 99 008 894 442**

I/We

of

being a shareholder of Ashburton Minerals Ltd entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chair, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 9.00 am (WST) on 28 June 2012 at Hotel Northbridge, 210 Lake Street, Northbridge, WA 6003 and at any adjournment thereof. **If no directions are given, the Chair will vote in favour of all of the resolutions.**

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of issue of Share and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Increase in Directors’ fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Important for resolution 2 – If the Chair is your proxy or is appointed as your proxy by default

By marking the box below, you are directing the Chair to vote in accordance with the Chair’s voting intentions on resolution 2 as set out in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on resolution 2, the Chair will not cast your votes on that resolution and your votes will not be counted in computing the required majority if a poll is called on this resolution. If you appoint the Chair as your proxy you can direct the Chair how to vote by either marking the boxes above (for example if you wish to vote against or abstain from voting) or by marking the box below (in which case the Chair will vote in favour of resolution 2).

The Chair intends to vote all available proxies in favour of resolution 2.

I/We direct the Chair to vote in accordance with the Chair’s voting intentions on resolution 2 (except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my proxy even though resolution 2 is connected directly or indirectly with the remuneration of a member of Key Management Personnel and/or even if the Chair has an interest in the outcome of these items and any votes cast by the Chair, other than as proxy holder, would be disregarded because of that interest.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this _____ day of _____ 2012

By: Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights (by inserting the percentage in the appropriate box or boxes). If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A separate proxy form should be used for each proxy.
2. A duly appointed proxy need not be a Shareholder. In the case of joint holders, all must sign.
3. A proxy may decide whether to vote on any motion or resolution, except where the proxy is required by law or the appointing company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit. If a Shareholder appoints the Chair as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as proxy for that Shareholder, in favour of the item on a poll.
4. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - two Directors of the company;
 - a Director and a company secretary of the company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.
5. Completion of a proxy form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the shareholder is present at the Meeting.
6. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
7. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) send the proxy form by post to Ashburton Minerals Ltd, Po Box 1245, West Leederville WA 6901; or
 - (b) send the proxy form by facsimile to the Company on facsimile number (08) 9363 7801, so that it is received not later than 9.00 am (WST) on 26 June 2012.

Proxy forms received later than this time will be invalid.