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

by electronic lodgement

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

Dear Sir/Madam

MT ANDREW PROJECT, FRASER RANGE, WA

Ashburton is pleased to advise that it has signed a farm-in agreement with private owners over the Mt Andrew Project, comprising two granted exploration licences in the Fraser Range region of Western Australia. The project tenements, E63/1322 and E63/1375, are situated some 120 km ESE of Norseman and encompass approximately 290 km² of the Proterozoic Biranup Complex within the Albany-Fraser Orogen. The ground is deemed prospective primarily for gold mineralisation.

The project area also captures approximately 20 km² of the southern extremity of the Fraser Complex, which will be targeted for nickel-copper mineralisation. The recent Nova discovery by Sirius Resources is located 75 km to the north within the Fraser Complex.

Gold Prospectivity

The Albany-Fraser Orogen is an extensive belt of gneissic rocks flanking the south-eastern margin of the Archaean Yilgarn Craton. The western zone of this belt includes reworked and metamorphosed portions of granite and greenstone rocks of the Archaean eastern goldfields. A number of gold discoveries occur within this zone, including most notably the Tropicana deposit (6.4 M oz) and the Beachcomber prospect (3 m @ 65.8 g/t), both held by AngloGold Ashanti and Independence Group. Further southwards, gold mineralisation has been reported at Woodline (Sipa Resources) and Salmon Gums (Triton/Matsa). Additionally, at its Viking project, AngloGold Ashanti is exploring a large area in the southern part of the belt, in the vicinity of the Mt Andrew project, recording an aircore intercept of 16 m @ 0.53 g/t at the Fenline prospect, and 4 m @ 0.60 g/t at the Animal prospect (Figure 1).

The Mt Andrew project is further regarded as being prospective for gold as it encompasses that part of the Biranup Complex that contains an area of structural complexity and zones of dilation resulting from deformation around the more competent Fraser Complex (Figure 1). Such dilation zones could act as sites of deposition of gold mineralisation that might have been remobilised during the deformation event.

The western part of the project partly covers ground explored by BHP in 2000-2001 for Broken Hill type base metal deposits. Although only weak Cu, Pb and Ag anomalism was identified, a large, areally-extensive gold anomaly was outlined by a 1km x 1km soil survey, with two values in the top

range (8 ppb – 10 ppb Au) occurring within the project area. These results have not been followed up. However, Thor Mining plc, who holds the adjoining ground to the west, carried out infill calcrete sampling and confirmed a number of coherent gold anomalies. These anomalies abut, and seemingly continue into, the Mt Andrew project area, potentially reflecting the abovementioned zones of dilation.

Nickel Prospectivity

Significant nickel and copper mineralisation within the Fraser Complex has only recently been identified by Sirius Resources at their Nova prospect, central to the Fraser Complex. While little is therefore known about its prospectivity, the Fraser Complex is marked by a distinct gravity high and is readily discernible on the regional gravity map (Figure 1 shows GSWA geology draped over a gravity image). Nova is a massive sulphide deposit that generated an EM response. Ashburton intends to implement a helicopter-borne EM survey in the near future to determine if that part of the Fraser Complex contained within E63/1375 is prospective for nickel-copper mineralisation.

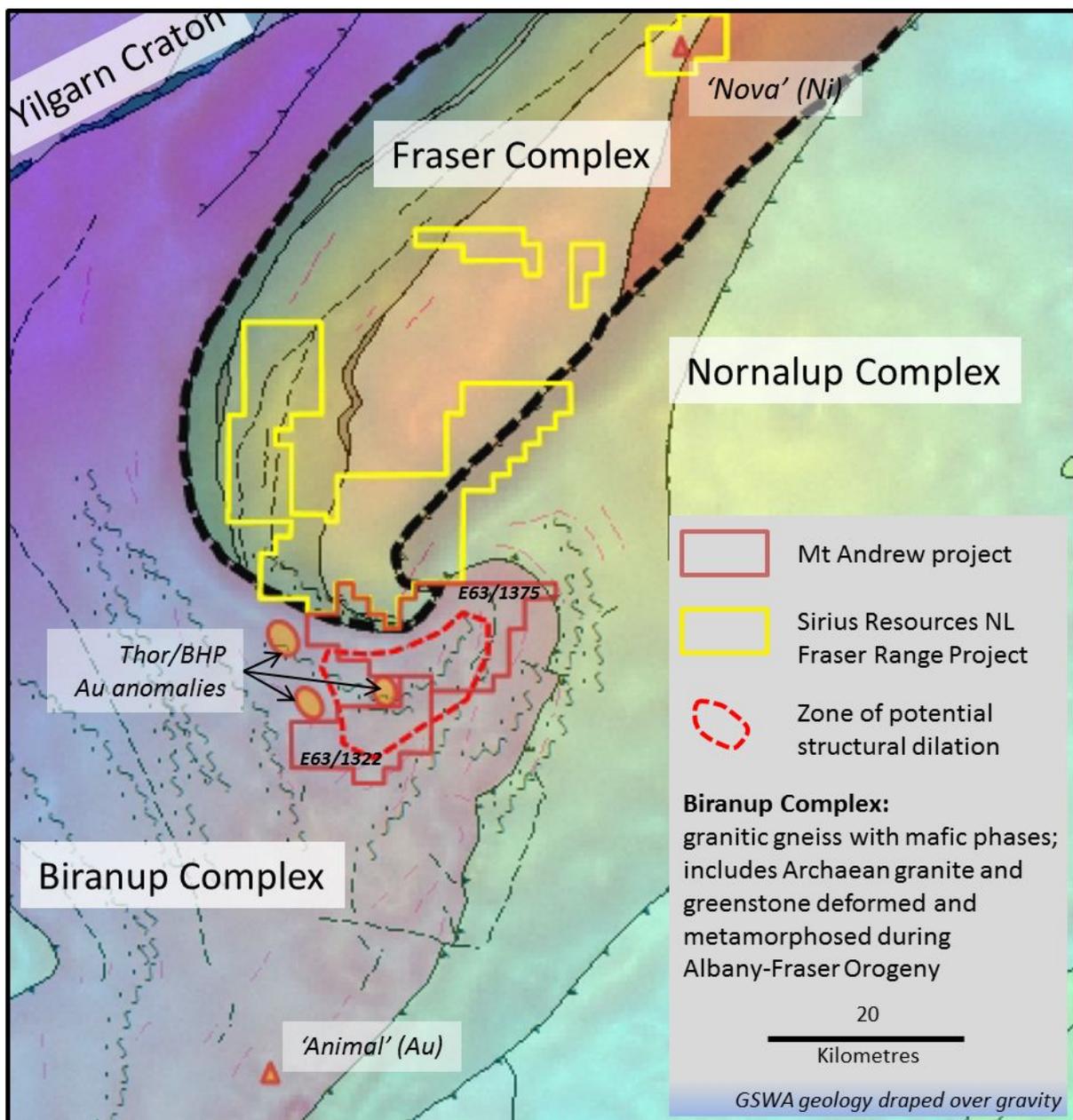


Figure 1. Mt Andrew project location in relation to regional geology, selected regional gold anomalies and Sirius Resources NL tenure.

Farm-in Terms

Ashburton has paid the owners an Entry Fee comprising \$20,000 in cash and the issue of 5,000,000 fully paid ordinary shares. Ashburton has to sole fund exploration to a minimum of \$100,000 at which point it can earn a 50% beneficial interest in the project by issuing to the owners 25,000,000 shares. Ashburton could then spend \$0.5 million over the subsequent two year period to earn the right to acquire a further 35% beneficial interest in the project by payment to the owners of \$450,000 by way of a combination of cash and shares at Ashburton's discretion. The owners' remaining 15% would be free-carried by Ashburton through to a decision to mine, at which point contributions would be on a joint venture basis, subject to dilution by standard formula. If the owners' interest falls below 5% it would convert to a 2% net smelter royalty on all metals produced from the project.

Ashburton is pleased to have gained exposure to this under-explored region, which is seeing increasing exploration activity by both major and junior companies.

The Company looks forward to implementing exploration at both the Mt Webb and Mt Andrew projects in 2013. In the meantime, the Company continues to work towards an acquisition of a suitable advanced gold project.

Yours faithfully,



Tom Dukovcic
Managing Director

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The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient relevant 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 Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

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