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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 "the Company")**

Dear Sir/Madam

FARM-IN: MT MORGAN PROJECT, QLD

HIGHLIGHTS:

- Proximal to world-class Mt Morgan massive sulphide deposit
 - 50 Mt @ 5 g/t Au, 0.72% Cu (8M oz Au; 360,000t Cu)
- Tenure surrounds Mt Morgan
- Undrilled EM anomalies
- Close to infrastructure

Ashburton is pleased to advise that it has reached agreement on terms with Coalbank Limited (ASX.CBQ) and its wholly owned subsidiary Harvest Metals Pty Ltd, to farm into the very prospective Mt Morgan project located 20 km SW of Rockhampton in Queensland (Figure 1).

The project comprises one Exploration Permit for Minerals, EPM17850, of 44 sub-blocks in size surrounding the old Mt Morgan gold-copper mine. Within the project area are a number of VTEM targets that have geological and geophysical similarity to the Mt Morgan deposit and which are yet to be drilled. Ashburton's primary focus will be to evaluate and drill these targets early in 2013 in the hope of discovering a Mt Morgan analogue.

The Mt Morgan is a world-class massive sulphide deposit that from 1882 to 1981 produced 50 million tonnes averaging 5.0 g/t of gold and 0.72% copper (8M oz gold; 360,000 t Cu), making it the largest gold producing mine in eastern Australia to date. As a result, the Mt Morgan area has been extensively explored by traditional methods over time, albeit without a significant discovery being made.

A helicopter-borne VTEM electromagnetic survey over the ground covered by EPM17850 was conducted by Lodestone Exploration (now Coalbank Limited) in 2007, making available a new modern layer of information. Massive sulphide deposits generate a strong EM response such that the method is particularly well suited in their exploration. The VTEM survey has reaffirmed the prospectivity of the project area.

Coalbank subsequently turned its focus on the energy sector and is currently involved in coal exploration, and the Mt Morgan project no longer forms part of its core objectives.

The main target within the project is the Discoverer Two prospect where a strong EM anomaly lies at depth beneath a pronounced copper-molybdenum surface geochemical halo which in turn surrounds a small porphyry intrusive (Figures 1 and 2). The geochemical anomaly and the porphyry have been drilled previously to a maximum reported depth of 120 m. The EM target, however, is offset from the surface anomaly and is interpreted to lie 200⁺ m below the surface. Ashburton is therefore quite excited about the prospect of drilling this untested target.

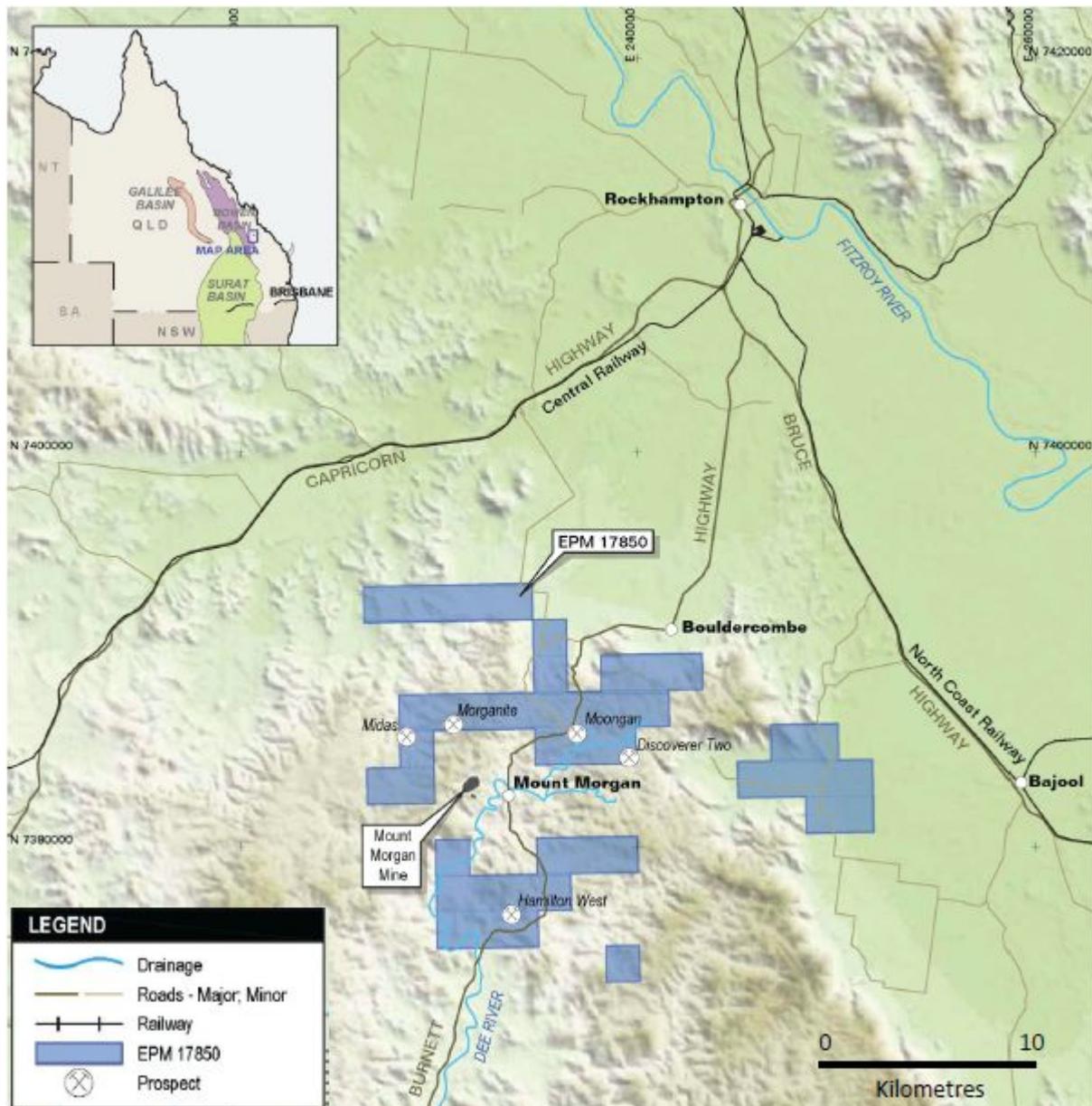


Figure 1. Location of EPM17850 in relation to the world class Mt Morgan gold- copper mine, showing the main prospects within the tenement.

Farm-in Terms

Ashburton is conducting the farm-in through its wholly owned subsidiary Southern Pioneer Limited (“SPL”) under the following summary terms:

1. SPL will earn a 30% beneficial interest in EPM17850 by funding the 2012-2013 expenditure commitment under the terms of the permit.

2. SPL then has the right to earn an additional 50% in EPM17850 by Ashburton issuing 75,000,000 fully paid shares in the capital of Ashburton to Harvest Metals Pty Ltd.
3. Harvest Metals' remaining 20% would be free carried by SPL to a decision to mine, with subsequent expenditure being on a joint venture basis, subject to standard dilution. Should either party's interest drop below 10% then that party's interest would convert to a 2% net smelter royalty.

The commencement of the farm-in is conditional on a 4-week due diligence period and subsequent final approval by the boards of Ashburton and SPL.

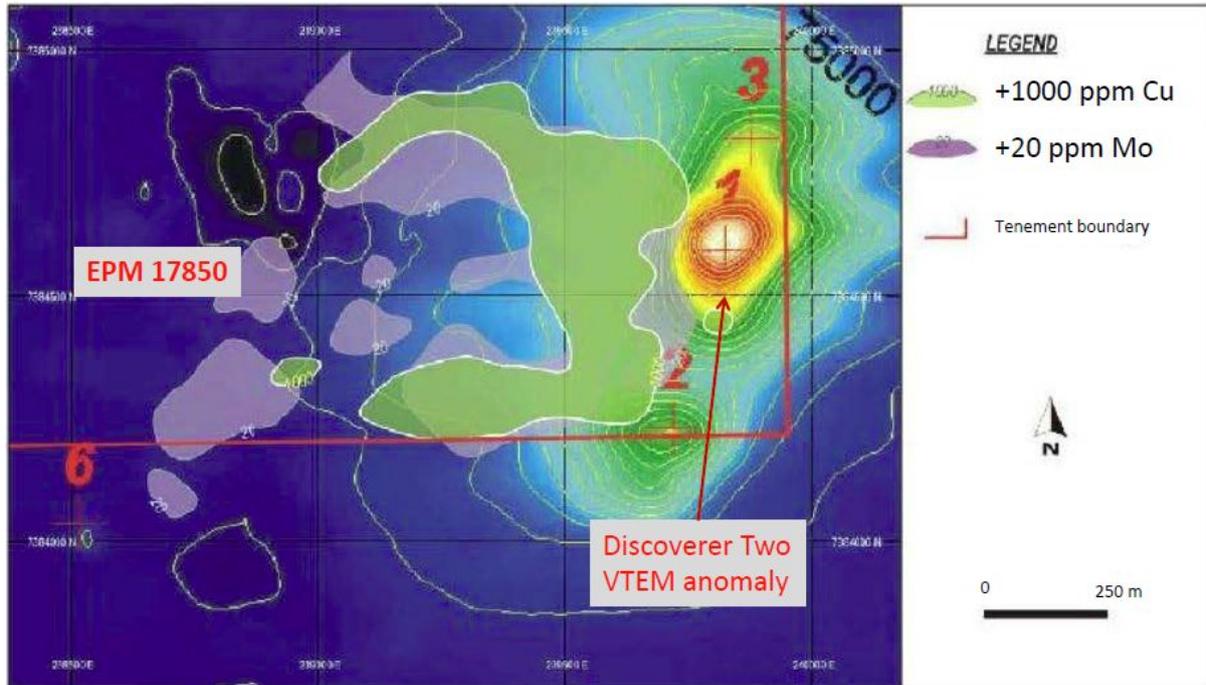


Figure 2. Discoverer two VTEM anomaly.

The Company is very excited about this opportunity to drill an advanced, systematically worked up massive sulphide target in the vicinity of a world class deposit.

Yours faithfully,

Tom Dukovic
Managing Director

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The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovic, 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 Dukovic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.