



**ASHBURTON
MINERALS LTD**

ABN 99 008 894 442

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10 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

PROSPECTUS – NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE

We advise that the Company has today lodged with the Australian Securities and Investments Commission a Prospectus for a pro-rata non-renounceable rights issue of approximately 325,379,186 New Shares on the basis of one New Share for every three 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 unlisted New Option for every three New Shares issued with each unlisted New Option having an exercise price of \$0.003 and expiring on 31 December 2014, to raise up to approximately \$650,758 ("**Rights Issue**").

The Record Date is 19 December 2012. The issue is not underwritten.

All of the Directors intend to take up their full entitlements in the Rights Issue.

A copy of the Prospectus is attached.

An Appendix 3B relating to the Rights Issue and a letter to optionholders will follow separately.

Yours faithfully,

Tom Dukovic
Managing Director

For further information, please contact:

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ASHBURTON MINERALS LIMITED
ABN 99 008 894 442

PROSPECTUS

For a pro-rata non-renounceable rights issue of approximately 325,379,186 New Shares on the basis of one New Share for every three 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 unlisted New Option for every three New Shares issued with each unlisted New Option having an exercise price of \$0.003 and expiring on 31 December 2014, to raise up to approximately \$650,758.

THE ISSUE IS NOT UNDERWRITTEN

The Rights Issue closes at 5.00pm AWST on 10 January 2013.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course of action you should follow, you should consult your stockbroker or professional adviser. Investment in securities offered by this Prospectus should be considered speculative.

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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 undersubscriptions	15 January 2013
Allotment of New Shares and dispatch of holding statements	18 January 2013

*These dates are indicative only. The Directors reserve the right to vary the key dates, without prior notice and subject to compliance with the Listing Rules.

IMPORTANT NOTICE

Shareholders should read this Prospectus in its entirety and, if in doubt, should consult their professional advisers before deciding whether to accept their Entitlements. This Prospectus is dated 10 December 2012. A copy of this Prospectus was lodged with ASIC on 10 December 2012. No responsibility for the contents of this Prospectus is taken by ASIC. No applications for New Shares and unlisted New Options will be accepted nor will New Shares or unlisted New Options be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

NZ NOTICE

The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001 (Cth). In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations (Australia) set out how the Offers must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand dollars. The value of the Shares will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 1.13, the Company will apply to the ASX for quotation of the New Shares offered under this Prospectus. If quotation is granted, the New Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of

participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

The Company is required under Part 1 of the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008 to provide an Eligible Shareholder with copies of the Company's Constitution on request and free of charge.

RISK FACTORS

Going Concern

The independent auditor's review report accompanying the consolidated entity's financial report for the year ended 30 June 2012 was unqualified but contained an emphasis of matter paragraph in respect of a material uncertainty regarding the consolidated entity's continuation as a going concern. The auditor drew attention to a note in the consolidated entity's half year financial report with respect to the consolidated entity's net losses after tax and cash outflows and the need for additional funding to be raised.

The note stated that "The financial report has been prepared on the going concern basis, as the company intends to raise capital in the next 12 months, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company and the consolidated entity be unable to continue as a going concern."

The Company currently holds \$112,000 cash at bank. Should the Company fail to raise at least a further \$135,000 through the Rights Issue then the Company would need to consider alternative plans, such as raising funds via a placement at a lower price. If this is not possible and other alternative sources of funding are not available, then the Company may consider entering into voluntary administration.

Mt Webb Project

Due to an administrative inadvertence, the Company failed to renew exploration licence E80/3327, which contains the Pokali prospect within the prescribed time, resulting in the expiry of E80/3327 on 24 November 2012. As a result, the ground subject to E80/3327 became vacant.

On 28 November 2012 Toro Energy Limited (**Toro**) lodged an application for an exploration licence, E80/4747, over the identical area. On 4 December 2012, the Company became aware of Toro's application and entered into negotiations with Toro.

As announced on 6 December 2012, the Company and Toro reached agreement whereby, in summary, the Company can regain a 90% interest in the ground in return for:

- granting Toro 100% uranium rights over E80/4747 and E80/3920, the Company's other remaining tenement in the Mt Webb area; and
- the Company sole funding minimum expenditure over E80/4747 for the first two years after grant, being \$53,000 per year.

Subsequent expenditure would be on a joint venture basis. The Company and Toro will equally share costs associated with negotiating Native Title access agreements both in relation to E80/4747 and in relation to an amendment to include uranium exploration rights over E80/3920.

The Company has previously expended in excess of \$3.2 million on the Mt Webb project. Most of this expenditure was over the Pokali prospect.

If the Company is unable to meet the minimum expenditure requirements under its agreement with Toro, it will not earn a 90% interest in the Pokali prospect and therefore will be unable to further explore or exploit the Pokali prospect. The Company will then have no further interest in the Pokali prospect.

Toro Application

Application for E80/4747 will proceed under the provisions of the Mining Act 1978 (WA) (**Toro Application**). Any person may object to the grant of E80/4747, in which case the Warden may hear the objection and recommend to the Minister whether the tenement ought to be granted. There is a risk that the Toro Application is not granted by the Minister. If it is not granted, the Company will not be able to earn a 90% interest in the Pokali prospect under the current agreement with Toro and therefore will be unable to further explore or exploit the Pokali prospect.

Mt Morgan

As announced on 23 November 2012 the Company (through its wholly owned subsidiary Southern Pioneer Limited (**SPL**)) may farm in to the Mt Morgan project near Rockhampton, Queensland. The Mt Morgan project is held by Harvest Metal Pty Ltd (**HMPL**) a wholly owned subsidiary of Coalbank Limited.

The commencement of the farm-in is subject to completion of due diligence prior to 21 December 2012 and subsequent final approval by the boards of the Company and SPL. The Company is in the process of completing its due diligence investigations. The boards of the Company and SPL have not yet made a decision on whether to proceed.

If the farm in proceeds, SPL will be required to fund the 2012-2013 expenditure commitment, being \$100,000, under the terms of the permit the subject of the Mt Morgan project to earn a 30% interest in the Mt Morgan project.

If SPL is unable to meet the minimum expenditure requirements under its agreement with HMPL, it will not earn a 30% interest in the Mt Morgan project and therefore will be unable to explore or exploit the Mt Morgan project.

Mt Andrew

As announced on 13 November 2012 the Company entered into a farm-in agreement with private owners over the Mt Andrew project, near Norseman, Western Australia. Under the farm-in agreement, the Company must fund initial exploration of \$100,000 prior to 26 February 2013. The Company estimates it has spent approximately \$6,000 of this amount to date.

Following the funding of the initial exploration, the Company can elect to continue with the farm-in or withdraw. If the Company proceeds with the farm-in, it can earn a 50% interest in the Mt Andrew project by issuing 25,000,000 Shares to the private owners.

If the Company is unable to meet the funding of the initial exploration, it will not be able to proceed with the farm in and earn a 50% interest in the Mt Andrew and therefore will be unable to explore or exploit the Mt Andrew project.

Exploration Risks

The business of minerals exploration, project development and production involves risks by its very nature. It depends on the successful exploration, appraisal and development of commercially viable deposits. Outcomes of the exploration program mentioned in this Prospectus will affect the future performance of the Company and its Shares.

Exploration and Appraisal Expenditure

Exploration and appraisal is a process subject to unforeseen contingencies. Exploration programs must be flexible enough to respond to the results obtained.

The actual scope, costs and timetables of exploration programs may differ substantially from the proposals set out in this Prospectus. Financial failure, or default by any future alliance or joint venture partner of the Company, may require the Company to face unplanned expenditure or risk forfeiting

relevant tenements.

Funding

Unless and until the Company develops or acquires income producing assets, it will be dependent upon the funds raised by this Offer, and its ability to obtain future equity or debt funding to support exploration evaluation and development of the properties in which it has an interest. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of the projects, stock market conditions and prices for metals in world markets.

Volatility in the price of minerals

Commodity prices are influenced by the physical and investment demand for those commodities. Fluctuations in commodity prices may influence timing, viability and management of projects in which the Company has an interest.

The key risk factors of which investors should be aware are set out in Section 3 of this Prospectus.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

DEFINED TERMS

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

CORPORATE DIRECTORY

ASHBURTON MINERALS LIMITED

ABN: 99 008 894 442
ASX Code: ATN

DIRECTORS

Mr Rick W Crabb (Non-Executive Chairman)
Mr Tom Dukovcic (Managing Director)
Mr Peter Bradford (Non-Executive Director)

COMPANY SECRETARY

Mr Rodney Dunn

REGISTERED OFFICE

Level 1, 254 Railway Parade
WEST LEEDERVILLE WA 6007

Telephone: +61 8 9363 7800
Facsimile: +61 8 9363 7801
Email: info@ashmin.com.au
Website: www.ashmin.com.au

AUDITORS

Moore Stephens Chartered Accountants
Level 3, 12 St George's Terrace
PERTH WA 6000*

SOLICITORS TO THE COMPANY

Gilbert + Tobin
1202 Hay Street
WEST PERTH WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

BRIEF INSTRUCTIONS

What You May Do

The number of New Shares and unlisted New Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- accept your Entitlement in full or part; or
- allow the whole of the Entitlement to lapse.

If You Wish To Take Up All or Part Of Your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with payment for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00pm AWST on 4 May 2012.

If You Wish to Apply for Additional New Shares and unlisted New Options

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares and unlisted New Options regardless of the size of their present holding.

It is possible that there will be few or no Additional New Shares and unlisted New Options available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional New Shares and unlisted New Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Offer that applicants for Additional New Shares and unlisted New Options will be bound to accept a lesser number of Additional New Shares and unlisted New Options allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest. The Company reserves the right to scale back any applications for Additional New Shares and unlisted New Options as determined by the Directors in their absolute discretion.

The issue of any Additional New Shares and unlisted New Options to Shareholders may be subject to the Corporations Act and Listing Rules. Please refer to section 1.8 of this Prospectus for further details on applying for Additional New Shares and new Options.

Entitlements Not Taken Up

Any New Shares and unlisted New Options not taken up by Existing Shareholders will be dealt with in accordance with section 1.9 of this Prospectus.

SECTION 1 DETAILS OF THE RIGHTS ISSUE

1.1 Rights Issue

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable Rights Issue of approximately 325,379,186 New Shares on the basis of one New Share for every three Shares held on the Record Date of 19 December 2012 at an issue price \$0.002 per New Share and 108,459,728 unlisted New Options on the basis of one free attaching unlisted New Option for every three New Shares issued with each unlisted New Option having an exercise price of \$0.003 and expiring on 31 December 2014, to raise up to approximately \$650,758. Fractional entitlements will be rounded up to the nearest whole number.

The Rights Issue will raise up to approximately \$650,758 (less expenses of the Rights Issue estimated to be \$37,000).

As at the date of this Prospectus, the Company had 976,137,558 Shares on issue.

Existing holders of Options will not be entitled to participate in the Rights Issue. However, they may exercise their Options prior to the Record Date if they wish to participate in the Rights Issue.

Number	Exercise Price	Expiry Date
117,676,368	\$0.01	30 April 2014
5,000,000	\$0.0725	21 April 2014
5,000,000	\$0.0870	21 April 2014
5,000,000	\$0.1015	21 April 2014
5,500,000	\$0.0725	14 June 2014

Accordingly, in the event that all these Options are exercised prior to the Record Date, this Prospectus will also offer to those Shareholders a further 46,058,789 New Shares to raise up to a further \$92,117.

1.2 Purpose of the Rights Issue and Use of Funds

The primary purpose of the Rights Issue is to raise funds for working capital over the ensuing 4 months. The Company incurs basic administrative costs and working capital commitments of \$45,000 per month, thus requiring \$180,000 for the next four months to meet costs. Funds raised over and above this amount will be applied to implement the first phase of exploration over the Company's recently acquired properties, namely the Mt Andrew and Mt Morgan projects.

As at the end of November 2012 the Company held \$112,000 in cash. Should the Company fail to raise at least a further \$135,000 through the Rights Issue then the Company would need to consider alternative plans, such as raising funds via a placement at a lower price. If this is not possible and other alternative sources of funding are not available, then the Company may consider entering into voluntary administration.

A table showing the proposed use of funds under various fundraising scenarios is presented below.

Amount raised:	\$135,000	% of funds raised	\$350,000	% of funds raised	\$650,000	% of funds raised
Cost of the Issue	37,000	27.41	37,000	10.57	37,000	5.69
Working Capital	98,000	72.59	113,000	32.29	313,000	48.15
Mt Andrew	-	0	100,000	28.57	150,000	23.08
Mt Morgan	-	0	100,000	28.57	150,000	23.08
Total	135,000	100	350,000	100	650,000	100

As noted above, a final decision has not been made on whether the Company will proceed with the Mount Morgan project. If, as a result of due diligence investigations, the Company does not proceed with the Mount Morgan project, the funds allocated to be spent on this project in the table above will be applied to working capital.

Any additional funds raised from the participation of shareholders in the Rights Issue as a result of their exercising any of the 138,176,368 Options currently on issue will be applied towards the Company's working capital and administration expenses.

1.3 Minimum Subscription

The minimum subscription in respect of the Offer is \$135,000.

If the minimum subscription of \$135,000 has not been raised within four months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

All of the Directors have indicated that they intend to take up their Entitlement in full under the Rights Issue. The number of Shares and Options each Director currently holds is set out in section 4.7. The table below sets out the number of New Shares and unlisted New Options each Director is entitled to apply for under the Rights Issue:

Director	New Shares	Unlisted New Options	Amount Director will pay the Company for accepting Entitlement
Rick Crabb	40,986,071	13,662,023	\$81,972
Tom Dukovic ¹	2,333,333	777,778	\$4,667
Peter Bradford	14,900,000	4,966,667	\$29,800

1. As set out in section 4.7, Mr Dukovic holds 7,000,000 Shares directly and 500,000 Shares indirectly. Mr Dukovic intends to accept his Entitlement in full in respect of the Shares held by him directly.

1.4 No Rights Trading

Entitlements to New Shares and unlisted New Options pursuant to the Rights Issue are non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement.

1.5 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances at 9.00am AWST on 21 December 2012 and will close at 5.00pm AWST on 10 January 2013, (except where payment is via BPAY® in which case payment must be made by such earlier cut off time that your own financial institution may implement with regard to electronic payments), or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 6 Business Days prior to the Closing Date.

1.6 Underwriting

The Rights Issue is not underwritten. No brokerage or stamp duty will be payable by investors.

1.7 Entitlements and Acceptance

The number of New Shares and unlisted New Options to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares and unlisted New Options for which you wish to accept the Offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Application for Additional New Shares and unlisted New Options

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares and unlisted New Options regardless of the size of their present holding. Refer to the Brief Instructions on Page 5 if you wish to apply for Additional New Shares and unlisted New Options. A single cheque or BPAY payment should be used for the Application Money for your Entitlement and the number of Additional New Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Acceptance of Terms

All applications for New Shares and unlisted New Options must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares and unlisted New Options on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares and unlisted New Options.

Please ensure the completed Entitlement and Acceptance Form and your cheque (if paying by cheque) is received by the Company's Share Registry at:

Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153

not later than 5.00pm AWST on 10 January 2013 or such later date as the Directors advise. Cheques should be made payable to "**Ashburton Minerals Limited – Share Issue Account**" and crossed "Not Negotiable". Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will be dealt with in accordance with Section 1.8.

Taxation Implications

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Rights Issue.

Enquiries

If you have any queries regarding your Entitlement, please contact Security Transfer Registrars Pty Ltd by telephone on +61 9315 2333 or your stockbroker or professional adviser.

Please note if you do not accept your Entitlement in accordance with the instructions set out above, any Entitlement not accepted will form part of the Shortfall.

1.8 Applying for Additional Shares

Eligible Shareholders who have subscribed for their Entitlement in full may apply for New Shares and unlisted New Options in addition to their Entitlement (**Additional New Shares and unlisted New Options**) by:

- (a) completing the relevant section of their Entitlement and Acceptance Form and returning it together with a single cheque for the appropriate application monies for both their Entitlement and the Additional New Shares and unlisted New Options applied for; or
- (b) paying the appropriate application monies for both their Entitlement and the Additional Shares applied for via BPAY® using the BPAY® code and Customer Reference Number indicated on the Entitlement and Acceptance Form. It is possible that there will be few or no Additional New Shares and unlisted New Options available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional New Shares and unlisted New Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event there is a Shortfall, the Directors reserve the right to allocate any Additional New Shares and unlisted New Options at their absolute discretion. The Company may issue to an Applicant a lesser number of Additional New Shares and unlisted New Options than the number applied for, reject an application for Additional New Shares and unlisted New Options or not proceed with the issuing of all or part of the Additional New Shares and unlisted New Options. If the number of Additional New Shares and unlisted New Options is less than the number applied for, surplus application monies will be refunded without interest.

1.9 Shortfall

Any Entitlements not taken up by Eligible Shareholders may become available as Shortfall which may be placed by the Company. The offer of any Shortfall is a separate offer made pursuant to this Prospectus (**Shortfall Offer**) and will remain open after the Closing Date. Shares offered pursuant to the Shortfall Offer will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Offer.

Non-Shareholder Applicants can apply for New Shares and unlisted New Options under the Shortfall Offer by completing the Shortfall Application Form attached to this Prospectus and returning it together with a single cheque for the appropriate application monies (at \$0.002 per New Share applied for) to the address shown on the Shortfall Application Form.

1.10 Broker commission fees

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 Form lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

1.11 Withdrawal of Rights Issue

The Company reserves the right not to proceed with the Rights Issue at any time before the issue of the New Shares and unlisted New Options to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all application monies as soon as practicable after giving notice of its withdrawal, without interest.

1.12 Issue and Allotment of New Shares

The New Shares and unlisted New Options are expected to be issued and allotted by no later than 18 January 2013. Until issue and allotment of the New Shares and unlisted New Options under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares and unlisted New Options takes place.

1.13 ASX Listing

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the New Shares to be offered pursuant to this Prospectus.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any New Shares and will repay all application monies as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares now offered for subscription.

1.14 No Issue of New Shares and unlisted New Options after 13 months

No New Shares and unlisted New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.15 Issue Outside Australia and New Zealand

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Shares or the Offer or otherwise to permit an offering of securities to any jurisdiction outside Australian and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

1.16 Overseas Investors

The Company is of the view that it is unreasonable to make the Offer to Shareholders with a registered address outside of Australia and New Zealand (**Excluded Shareholders**) having regard to:

- (a) the number of Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of the New Shares to be offered to Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the other overseas jurisdictions.

Accordingly, only Eligible Shareholders are entitled to participate in the Rights Issue and the Company is not required to, and does not, make any offers under this Prospectus to Shareholders with a registered address outside of Australia and New Zealand.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not Shareholders on the Record Date are not entitled to apply for any New Shares.

All Entitlements that would have been offered to Excluded Shareholders will be allowed to lapse and they will form part of the Shortfall.

1.17 Market Prices of Shares on ASX

The highest and lowest market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.004 on 10-11 September 2012, 3 -15 October 2012, 26 October 2012, 13 November 2012 and 20-23 November 2012 and \$0.002 on 14-19 September 2012 and 6 - 7 December 2012. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was \$0.002 on 7 December 2012.

The market sale prices of quoted Options on ASX during the 3 months immediately preceding the date of this Prospectus has remained at \$0.001. The latest available market sale price of quoted Options on ASX immediately before the date of issue of this Prospectus was \$0.001 on 22 October 2012.

1.18 Privacy Act

The Company collects information about each application from an Application Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Application Form, each applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

If an applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

SECTION 2 EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

2.1 Principal Effects

The principal effects of the Rights Issue (assuming full subscription) are:

- (a) the Company's cash funds will increase by approximately \$650,758 less expenses of the Rights Issue, which are estimated to be approximately \$37,000; and
- (b) the total number of Shares on issue will be 1,301,516,744 (assuming no Options currently on issue are exercised).

2.2 Capital Structure

The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below:

Issued Capital	Number
Existing Shares	976,137,558
New Shares to be issued under this Prospectus ¹	325,379,186
Shares on issue after this Rights Issue	1,301,516,744
Existing quoted Options on issue (each Option exercisable at \$0.01 on or before 30 April 2014)	117,676,368
Unlisted New Options to be issued under this Prospectus (each unlisted New Option having an exercise price of \$0.003 and expiring on 31 December 2014)	108,459,728

The Company also has the following unquoted Options on issue:

Number	Exercise Price	Expiry Date
5,000,000	\$0.0725	21 April 2014
5,000,000	\$0.0870	21 April 2014
5,000,000	\$0.1015	21 April 2014
5,500,000	\$0.725	14 June 2014

Notes:

1. *If all Options currently on issue are exercised before the Record Date, a further 46,058,789 New Shares will be offered pursuant to this Prospectus.*

2.3 Consolidated Statement of Financial Position

Set out as follows is a Consolidated Statement of Financial Position as at 30 June 2012, as audited by the Company's auditor adjusted to reflect:

- the Rights Issue of approximately 325,379,186 New Shares at an issue price of \$0.002 per New Share to raise approximately \$650,758; and

- the costs of the Rights Issue of approximately \$37,000.

**Statement of Financial Position
Pro-forma Reflecting Proposed Rights Issue**

	Consolidated Statement of Financial Position as at 30 June 2012	Pro-forma Consolidated Financial Position as at 30 June 2012
	\$	\$
Assets		
Current Assets		
Cash & Cash Equivalents	849,654	1,463,412
Trade and other receivables	45,175	45,175
Other Financial Assets		
Total Current Assets	894,829	1,508,587
Non-Current Assets		
Trade and other receivables		
Plant and Equipment	12,588	12,588
Exploration, Evaluation and development expenditure	3,423,179	3,423,179
Total Non-Current Assets	3,435,767	3,435,767
Total Assets	4,330,596	4,944,354
Liabilities		
Current liabilities		
trade and other payables	301,249	301,249
Short-term provisions	23,077	23,077
Total Current Liabilities	324,326	324,326
Non-Current Liabilities		
trade and other payables	66,003	66,003
Total Non-Current Liabilities	66,003	66,003
Total Liabilities	390,329	390,329
Net Assets	3,940,267	4,554,025
Equity		
Issues capital	34,439,142	35,052,900
Reserves	555,324	555,324
Retained earnings	(31,054,199)	(31,054,199)
Total Equity	3,940,267	4,554,025

Notes to the Pro-forma Consolidated Statement of Financial Position:

1. The Pro-forma Consolidated Statement of Financial Position assumes that no existing Options are exercised prior to the Record Date for the Rights Issue. If all Options are exercised after the Record Date cash will increase by a further \$2,880,513 and contributed capital would increase by a similar amount.

2. Other than as noted above, no account is taken of any transactions between 30 June 2012 and the date of this Prospectus. Other than as noted above, the Pro-forma Consolidated Statement of Financial Position reflects only the transactions the subject of this Prospectus.

SECTION 3 RISK FACTORS

The New Shares and unlisted New Options offered under this Prospectus are considered speculative. The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Shares and unlisted New Options pursuant to this Prospectus. In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its directors because of the nature of the business of the Company.

The Directors wish to highlight some of the more specific risks which apply to the Offer, the Shares, and to the Company and its business. Those risks are set out below:

3.1 Going Concern

The independent auditor's review report accompanying the consolidated entity's financial report for the year ended 30 June 2012 was unqualified but contained an emphasis of matter paragraph in respect of a material uncertainty regarding the consolidated entity's continuation as a going concern. The auditor drew attention to a note in the consolidated entity's half year financial report with respect to the consolidated entity's net losses after tax and cash outflows and the need for additional funding to be raised.

The note stated that "The financial report has been prepared on the going concern basis, as the company intends to raise capital in the next 12 months, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company and the consolidated entity be unable to continue as a going concern."

The Company currently holds \$112,000 cash at bank. Should the Company fail to raise at least a further \$135,000 through the Rights Issue then the Company would need to consider alternative plans such as raising funds via a placement at a lower price. If this is not possible and other alternative sources of funding are not available, then the Company may consider entering into voluntary administration.

3.2 Mt Webb Project

Due to an administrative inadvertence, the Company failed to renew exploration licence E80/3327, which contains the Pokali prospect within the prescribed time, resulting in the expiry of E80/3327 on 24 November 2012. As a result, the ground subject to E80/3327 became vacant.

On 28 November 2012 Toro Energy Limited (**Toro**) lodged an application for an exploration licence, E80/4747, over the identical area. On 4 December 2012, the Company became aware of Toro's application and entered into negotiations with Toro.

As announced on 6 December 2012, the Company and Toro reached agreement whereby, in summary, the Company can regain a 90% interest in the ground in return for:

- granting Toro 100% uranium rights over E80/4747 and E80/3920, the Company's other remaining tenement in the Mt Webb area; and
- the Company sole funding minimum expenditure over E80/4747 for the first two years after grant, being \$53,000 per year

Subsequent expenditure would be on a joint venture basis. The Company and Toro will equally share costs associated with negotiating Native Title access agreements both in relation to E80/4747 and in relation to an amendment to include uranium exploration rights over E80/3920.

The Company has previously expended in excess of \$3.2 million on the Mt Webb project. Most of this expenditure was over the Pokali prospect.

If the Company is unable to meet the minimum expenditure requirements under its agreement with Toro, it will not earn a 90% interest in the Pokali prospect and therefore will be unable to further explore or exploit the Pokali prospect. The Company will then have no further interest in the Pokali prospect.

3.3 Toro Application

Application for E80/4747 will proceed under the provisions of the Mining Act 1978 (WA) (**Toro Application**). Any person may object to the grant of E80/4747, in which case the Warden may hear the objection and recommend to the Minister whether the tenement ought to be granted. There is a risk that the Toro Application is not granted by the Minister. If it is not granted, the Company will not be able to earn a 90% interest in the Pokali prospect under the current agreement with Toro and therefore will be unable to further explore or exploit the Pokali prospect.

3.4 Mt Morgan

As announced on 23 November 2012 the Company (through its wholly owned subsidiary Southern Pioneer Limited) (**SPL**) may farm-in to the Mt Morgan project near Rockhampton, Queensland. The Mt Morgan project is held by Harvest Metal Pty Ltd (**HMPL**) a wholly owned subsidiary of Coalbank Limited.

The commencement of the farm in is subject to completion of due diligence prior to 21 December 2012 period and subsequent final approval by the boards of the Company and SPL. The Company is in the process of completing its due diligence investigations. The boards of the Company and SPL have not yet made a decision on whether to proceed.

If the farm in proceeds, SPL will be required to fund the 2012-2013 expenditure commitment, being \$100,000, under the terms of the permit the subject of the Mt Morgan project to earn a 30% interest in the Mt Morgan project.

If SPL is unable to meet the minimum expenditure requirements under its agreement with HMPL, it will not earn a 30% interest in the Mt Morgan project and therefore will be unable to explore or exploit the Mt Morgan project.

3.5 Mt Andrew

As announced on 13 November 2012 the Company entered into a farm-in agreement with private owners over the Mt Andrew project, near Norseman, Western Australia. Under the farm in agreement, the Company must fund initial exploration of \$100,000 prior to 26 February 2013. The Company estimates it has spent approximately \$6,000 of this amount to date.

Following the funding of the initial exploration, the Company can elect to continue with the farm in or withdraw. If the Company proceeds with the farm in, it can earn a 50% interest in the Mt Andrew project by issuing 25,000,000 Shares to the private owners.

If the Company is unable to meet the funding of the initial exploration, it will not be able to proceed with the farm in and earn a 50% interest in the Mt Andrew and therefore will be unable to explore or exploit the Mt Andrew project.

3.6 Exploration Risks

The business of minerals exploration, project development and production involves risks by its very nature. It depends on the successful exploration, appraisal and development of commercially viable deposits. Outcomes of the exploration program mentioned in this Prospectus will affect the future performance of the Company and its Shares.

3.7 Access to Land

Significant delays may be experienced in gaining access to privately owned freehold or leasehold land. Delays may be caused by weather, deference to landholders' activities such as cropping, harvesting and other factors.

3.8 Cultural Heritage and Native Title

Delays may be experienced if evidence of Aboriginal cultural heritage exists on any land to which the Company requires access.

When exercising a right or permission for access to any land, it is an offence, to disturb physical evidence of human occupation of prehistoric or historic significance without statutory permission. This restriction applies to any activity including minerals exploration and production.

The Company has not undertaken the comprehensive research, investigations or enquiries which would be necessary to enable it to form an opinion with certainty as to whether any such evidence exists on any land covered by Ashburton's optioned tenements.

The Native Title Act 1993 (Cth) may affect the Company's ability to gain access to prospective exploration areas or obtain production titles in Australia. Compensatory obligations may be necessary in settling native title claims lodged over the Company's tenements.

3.9 Environmental Impact Constraints

The Company's exploration and appraisal programs will, in general, be subject to approval by government authorities. Development of any mineral resources will be dependent on the project meeting environmental guidelines and gaining approvals by government authorities.

3.10 Exploration and Appraisal Expenditure

Exploration and appraisal is a process subject to unforeseen contingencies. Exploration programs must be flexible enough to respond to the results obtained.

The actual scope, costs and timetables of exploration programs may differ substantially from the proposals set out in this Prospectus. Financial failure, or default by any future alliance or joint venture partner of the Company, may require the Company to face unplanned expenditure or risk forfeiting relevant tenements.

3.11 Funding

Unless and until the Company develops or acquires income producing assets, it will be dependent upon the funds raised by this Offer, and its ability to obtain future equity or debt funding to support exploration evaluation and development of the properties in which it has an interest. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of the projects, stock market conditions and prices for metals in world markets.

3.12 Key Personnel

The ability of the Company to achieve its objectives depends on the retention of key external contractors who constitute its technical panel and provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters

mentioned above, the Directors believe that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

3.13 Volatility in the price of minerals

Commodity prices are influenced by the physical and investment demand for those commodities. Fluctuations in commodity prices may influence timing, viability and management of projects in which the Company has an interest.

3.14 Gold price volatility

Gold prices are influenced by a number of international factors including world inflation, geo-political events, central bank transactions, exchange rates as well as supply and demand factors. The price of gold in Australian dollars will influence the returns, subject to any hedging contracts the Company may or may not take out in relation to future production.

3.15 Volatility in the market price of Shares

Although the Company is listed on the ASX, there is no assurance that an active trading market for its Shares will be sustained. There is also no assurance that the market price for the Shares will not decline below the issue price. The market price of the Shares could be subject to significant fluctuations due to various external factors and events, including the liquidity of the Shares in the market, any difference between the Company's actual financial or operating results and broader market-wide fluctuations. Furthermore, any stock market volatility and weakness could result in the market price of the Shares decreasing so that they trade at prices significantly below the issue price, without regard to the Company's operating performance.

3.16 Negative publicity may adversely affect the Share Price

Any negative publicity or announcement relating to any of our substantial shareholders or key personnel may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

3.17 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs and on metals prices.

The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any metals that the Company may produce and sell.

3.18 Stock Market Conditions

The market price of the New Shares when quoted on the ASX will be influenced by international and domestic factors affecting conditions in equity and financial markets. These factors may affect the prices for listed securities and the prices for the securities of minerals exploration companies quoted on the ASX, including Ashburton.

The stock market has in the past been, and may in the future be, affected by a number of matters including commodity prices, market confidence, supply and demand for money and currency exchange rates.

3.19 Joint Venture/Operator Parties and Contractors

The operations of the Company will require involvement with joint venture parties and contractors. The Directors are unable to predict the risk of:

- financial failure, default or non-compliance with respective obligations by a participant in any joint venture to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its exploration activities; or
- insolvency or other managerial failure by any of the other service provider used by the Company for any activity.

3.20 Environmental Risks

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles and environmentally aware exploration approach.

3.21 Government Policy

Industry profitability can be affected by changes in government policy relating to mineral exploration and production which are beyond the control of the Company.

3.22 Sovereign Risk

The Company's projects are currently limited to Australia. The political conditions in Australia are generally stable, however, changes may occur in the political, fiscal and legal system, which might affect the ownership or operations of the Company, including, amongst other things, changes in exchange rates, control or regulations, expropriation of mining rights, changes in government and in legislative, fiscal and regulatory regimes, violence and lack of law enforcement, political insurrection or labour unrest, inflation or economic recession.

3.23 Insurance

Insurance against all risks associated with mining exploration and development is not always available and the cost can be excessive.

3.24 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and unlisted New Options offered under this Prospectus.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

SECTION 4 ADDITIONAL INFORMATION

4.1 Legal Framework of this Prospectus

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules of ASX which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus (or are options to acquire those securities).

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

The board of Directors have adopted a policy on continuous disclosure which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities, and also sets out the consequences of non-compliance and a person's confidentiality obligations.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares to be issued under this Prospectus are in respect of a class of Shares that were continuously quoted securities at all times in the 12 months before the issue of this Prospectus. The unlisted New Options to be issued under this Prospectus are options over a class of Shares that were continuously quoted securities at all times in the 12 months before the issue of this Prospectus.

4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report of the Company for the year ending 30 June 2012; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the year ending 30 June 2012 and before the issue of this Prospectus:

Date	Description of Announcement
06/12/2012	Toro acquisition and HoA over Pokali Prospect tenure, WA
06/12/2012	Mt Webb Agreement with Toro Energy

Date	Description of Announcement
04/12/2012	Trading Halt
23/11/2012	CBQ: Farm-out of Mount Morgan Project
23/11/2012	Farm-In Mt Morgan Project, Qld
19/11/2012	Results of Meeting
19/11/2012	Appendix 3B
19/11/2012	Managing Director Presentation 2012 AGM
13/11/2012	Farm In - Mt Andrew Project, Fraser Range, WA
12/11/2012	Appendix 3B
31/10/2012	Quarterly Activities Report
31/10/2012	Quarterly Cash Flow Report

4.4 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The board of Directors is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the board of Directors has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

A summary of the Company's corporate governance policies is available on the Company's website.

4.5 Rights Attaching to New Shares

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights which attach to the existing Shares:

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company.. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Subject to the rights of shareholders entitled to shares with special rights in a winding-up, all monies and property that is to be distributed among Shareholders on a winding-up shall be so distributed in proportion to the shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

4.6 Rights attaching to unlisted New Options

The terms and conditions of issue of the unlisted New Options are set out below:

(a) Exercise Date

The Options are exercisable wholly or in part at any time before 5.00pm WST on 31 December 2014. Options not exercised by that date shall lapse.

(b) Exercise Price

Each Option shall entitle the optionholder to acquire one Share upon payment of the sum of \$0.003 per Option to the Company.

(c) 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.

(d) Quotation of Shares on Exercise

Application will be made to ASX for Official Quotation of the Shares issued on exercise of 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

4.7 Interest of Directors

Directors' Holdings

At the date of this Prospectus the relevant interests of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Shares		Options	
	Direct	Indirect	Direct	Indirect
Rick Crabb ¹	8,280,642	114,677,570 ¹	690,054 ²	9,556,466 ³
Tom Dukovcic	7,000,000	500,000 ⁴	15,887,500 ⁵	-
Peter Bradford	44,700,000		-	-

Notes:

1. 6,084,562 Shares are held by Westessa Holdings Pty Ltd, a company in which Mr Rick Crabb is a director and shareholder. 108,593,008 Shares are held by Rick Crabb and Carol Crabb as trustee for the InterMax Trust. Rick Crabb is a beneficiary of the Trust.
2. Options each exercisable at \$0.01 on or before 30 April 2014.
3. 9,049,419 Options, each exercisable at \$0.01 on or before 30 April 2014 are held by Westessa Holdings Pty Ltd, a company in which Mr Rick Crabb is a director and shareholder. 507,047 Options, each exercisable at \$0.01 on or before 30 April 2014 are held by Rick Crabb and Carol Crabb as trustee for the InterMax Trust. Rick Crabb is a beneficiary of the Trust.
4. 500,000 Shares are held by Tenacity Resources Pty Ltd, a company in which Mr Tom Dukovcic is a director and shareholder.
5. 387,500 Options, each exercisable at \$0.01 on or before 30 April 2014, 5,000,000 Options, each exercisable at \$0.0725 on or before 21 April 2014, 5,000,000 Options, each exercisable at \$0.087 on or before 21 April 2014 and 5,000,000 Options, each exercisable at \$0.1015 on or before 21 April 2014.

Remuneration of Directors

The Constitution of the Company provides that non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The maximum sum is currently \$250,000.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:

Financial year ending 30 June 2011

Directors	Director's Fees/Salaries	Superannuation	Other	Total
	\$	\$	\$	\$
Rick Crabb	27,500	2,475	-	29,975
Tom Dukovcic	176,239	20,388	285,000 ¹	481,627
Peter Bradford	33,000	-	-	33,000

Notes

1. Includes the issue to Mr Tom Dukovcic of 15,000,000 Director Options in April 2011, at which time these Options had a Black & Scholes valuation of \$235,000.

Financial year ending 30 June 2012

Directors	Director's Fees/Salaries	Superannuation	Other	Total
	\$	\$	\$	\$
Rick Crabb	30,000	2,700	-	32,700
Tom Dukovcic	180,000	16,200	-	196,200
Peter Bradford	30,000	-	-	30,000

Since 30 June 2012 to the date of this Prospectus, the Directors have accrued the following remuneration:

Directors	Director's Fees/Salaries	Superannuation	Other	Total
	\$	\$	\$	\$
Rick Crabb	12,500	1,125	-	13,625
Tom Dukovcic	65,769	5,919	-	71,688
Peter Bradford	12,500	-	-	12,500

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

4.8 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

- Moore Stephens Chartered Accountants are the auditors to the Company. They have provided audit services to the Company during the last two years for which the Company has paid or will pay fees totalling approximately \$84,972.
- Gilbert + Tobin have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately \$23,000 for these professional services. Gilbert + Tobin have provided other professional services to the Company during the last two years for which the Company has paid or will pay fees totalling approximately \$46,400.

- Security Transfer Registrars Pty Ltd is the Company's share registry and has provided share registry services to the Company during the last two years amounting to approximately \$59,440.

The amounts disclosed above are exclusive of any amount of GST payable by the Company in respect of those amounts.

4.9 Expenses of the Rights Issue

The approximate expenses of the Rights Issue are \$37,000. These expenses are payable by the Company.

4.10 Consents

Each of the parties referred to in this Section 4.10:

- does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.10; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.10.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- Moore Stephens Chartered Accountants as the auditors of the Company; and
- Gilbert + Tobin as solicitors to the Rights Issue.

Security Transfer Registrars Pty Ltd has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. Security Transfer Registrars Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Security Transfer Registrars Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Moore Stephens Chartered Accountants has given its written consent to the inclusion in the Prospectus of references to the audited Statement of Financial Position of the Company for the year ended 30 June 2012, and to all statements based on that reviewed Statement of Financial Position in the form and context in which they appear. Moore Stephens Chartered Accountants has not withdrawn such consent before lodgement of this Prospectus with ASIC.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

4.11 Potential effect of the Rights Issue on control of the Company

There is no Shareholder at the date of this Prospectus that could obtain a relevant interest (as defined in the Corporations Act) exceeding 19.9% on the basis of that Shareholder being the only Shareholder to accept their Entitlement.

4.12 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the *Corporations Act* to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of New Shares and unlisted New Options in response to an electronic application form, subject to compliance with certain provisions. The Company is relying on this exemption in relation to the offer of Shortfall.

The offer of New Shares and unlisted New Options offered pursuant to the Shortfall Offer is only available to persons receiving an electronic version of this Prospectus within Australia. The *Corporations Act* prohibits any person from passing to another person a Shortfall Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

If you have received an electronic version of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Shortfall Application Form. If you have not, please telephone the Company Secretary at +61 8 9363 7800 and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept a Shortfall Application Form from a person if it has reason to believe that when that person was given access to the electronic Shortfall Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In these circumstances, the application monies will be dealt with in accordance with section 722 of the *Corporations Act*.

SECTION 5 DEFINED TERMS

"\$" means an Australian dollar;

"**Additional New Shares and unlisted New Options**" means those New Shares and unlisted New Options that are applied for by Eligible Shareholders in addition to their Entitlement but which do not form part of the Shortfall;

"**AWST**" means Australian Western Standard Time;

"**Application Form**" means the Entitlement and Acceptance Form;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Closing Date**" means 5.00pm AWST on 10 January 2013;

"**Company**" or "**Ashburton**" means Ashburton Minerals Limited (ABN 99 008 894 442);

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Directors**" means the directors of the Company;

"**Eligible Shareholder**" is a shareholder of the Company whose details appear on the Company's register of shareholders as at the Record Date other than an Excluded Shareholder;

"**Entitlement**" means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

"**Entitlement and Acceptance Form**" means the entitlement and acceptance form accompanying this Prospectus;

"**Excluded Shareholders**" has the meaning given to it in Section 1.16;

"**GST**" means any tax, import or other duty raised on the supply of goods and services and imposed by the Commonwealth or a State or Territory of Australia;

"**Listing Rules**" means the Listing Rules of ASX;

"**New Option**" means a free attaching unlisted Option offered pursuant to the Rights Issue on the terms in Section 4.6;

"**New Share**" means a share offered pursuant to the Rights Issue on the terms in Section 4.5;

"**Offer**" means an offer of securities pursuant to this Prospectus;

"**Option**" means an option to acquire one Share;

"**Prospectus**" means this prospectus dated 10 December 2012;

"**Record Date**" means 5.00 p.m. AWST on 19 December 2012;

"Right" means a right to acquire 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 unlisted New Options on the basis of one unlisted New Option for every 3 New Shares issued with each unlisted New Option having an exercise price of \$0.003 and expiring on 31 December 2014;

"Rights Issue" means the issue pursuant to the Prospectus of a pro-rata non-renounceable rights issue of approximately 325,379,186 New Shares on the basis of one New Share for every three 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 unlisted New Option for every three New Shares issued with each unlisted New Option having an exercise price of \$0.003 and expiring on 31 December 2012, to raise up to approximately \$650,758 (before costs);

"Share" means an ordinary fully paid share in the capital of the Company;

Shortfall means the New Shares and unlisted New Options forming the Entitlements, or parts of Entitlements, not accepted by Eligible Shareholders.

Shortfall Application Form means the Shortfall form either attached to or accompanying this Prospectus that enables Non-Shareholder Applicants to subscribe for New Shares and unlisted New Options pursuant to the Shortfall Offer.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 1.9 of this Prospectus.

SECTION 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares and unlisted New Options pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 10 December 2012

Tom Dukovic
Managing Director