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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

HIGH PRIORITY EM TARGETS CONFIRMED AT MT ANDREW

- Two high priority EM targets defined by modelling of VTEMmax data
- Target 1: 500 m x 200 m conductor; 50 m below surface
- Target 2: 350 m x 250 m conductor; 35 m below surface

Ashburton is pleased to announce that a consultant geophysicist report on the VTEMmax survey data collected over the project has confirmed the presence of **two high priority EM targets**, each located within the Fraser Complex and possibly representing bedrock conductors, such as might be due to massive and/or stringer sulphide mineralisation.

Both **targets warrant drill testing** to determine whether these conductors are associated with economic sulphide mineralisation.

The location of the surveyed area is shown in Figure 1 and the position of the targets within the survey area is shown in Figures 2 and 3.

The EM response of both targets is observed in profile as a double-peaked, late time anomaly in the Z component data and a very strong late time crossover anomaly in the X component data, suggesting **steeply dipping conductors at depth** (Figures 4 and 5). Conductivity Depth Imaging (CDI) processing was carried out on the data to provide an estimate to depth to conductive sources.

The resultant modelling suggests **Target 1** to be a conductive body, dipping 75° to the north, of some 500 m in strike length and extending for 200 m down dip and with a depth to top of the body of approximately 50 m.

Target 2 is modelled as dipping 80° to the south, being 350 m in strike length and extending for 250 m down dip, with depth to top of the conductor of 35 m.

In both cases the EM response of the bedrock conductors is somewhat masked by a near-surface sub-horizontal conductor, possibly reflecting the effects of regolith or a palaeochannel. The survey area is located to the west of a system of salt lakes that are remnants of a large palaeochannel. Both targets are located adjacent to magnetic highs, thus providing further support of being representative of a bedrock feature, extending sub-vertically to depth (Figures 3, 4 and 5).

It is Ashburton's intent to move towards drilling of these targets at the earliest opportunity. In order to minimise the time by which drilling can commence, the Company has already initiated the process

of securing necessary approvals to access the area, which includes the submittal of a conservation management plan through the Department of Environment and Conservation and satisfying the requirements of a heritage survey, in addition gaining approval for a Programme of Works through the Department of Mines and Petroleum. This process is expected to take several months.

Both of these indicative EM bedrock conductors represent valid, high priority targets for drill testing and the Company is strongly encouraged by the prospect of its next phase of exploration at Mt Andrew resulting in a significant discovery.

For further clarification of these results please contact the undersigned.

With the release of this announcement the Company requests that the trading halt on its securities be lifted.

Yours faithfully,



Tom Dukovic
Managing Director

Figures follow...

BACKGROUND TO THE MT ANDREW PROJECT

The Mt Andrew project is located in the Fraser Range region of Western Australia. The northern part of the project encompasses a portion of the Proterozoic Fraser Complex, which contains various metamorphosed mafic volcanics and intrusives and which hosts the 'Nova-Bollinger' Ni-Cu deposit discovered by Sirius Resources some 70 km further north.

Ashburton Minerals Ltd, through its wholly owned subsidiary Southern Pioneer Limited, holds a 50% beneficial interest in the project tenements, which comprise two exploration licences, E63/1322 and E63/1375, and has the right to increase its interest to 85% subsequent to further exploration.

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.

For further information, please contact:

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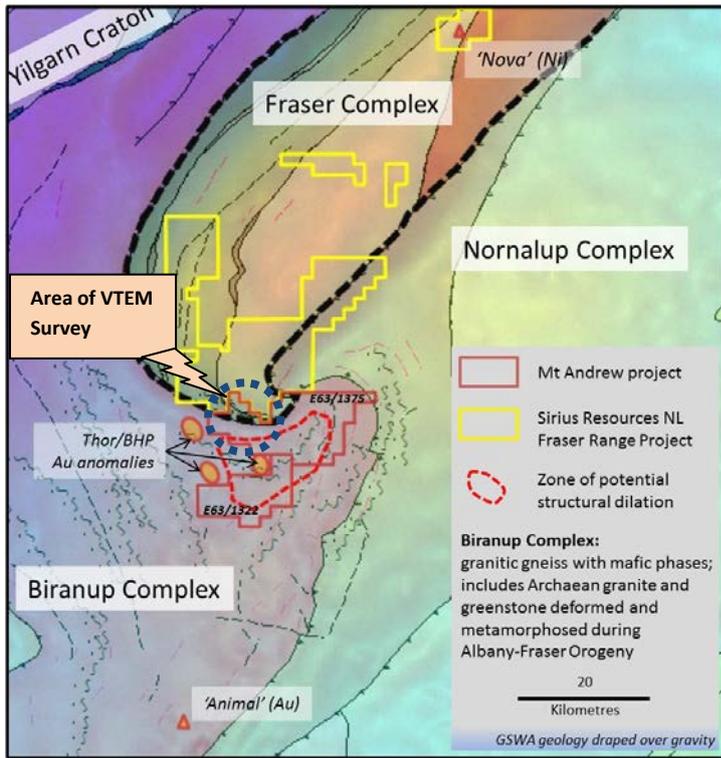


Figure 1. Mt Andrew project location in relation to regional geology, selected regional gold anomalies and Sirius Resources NL tenure, highlighting the location of the "VTEMmax" survey.

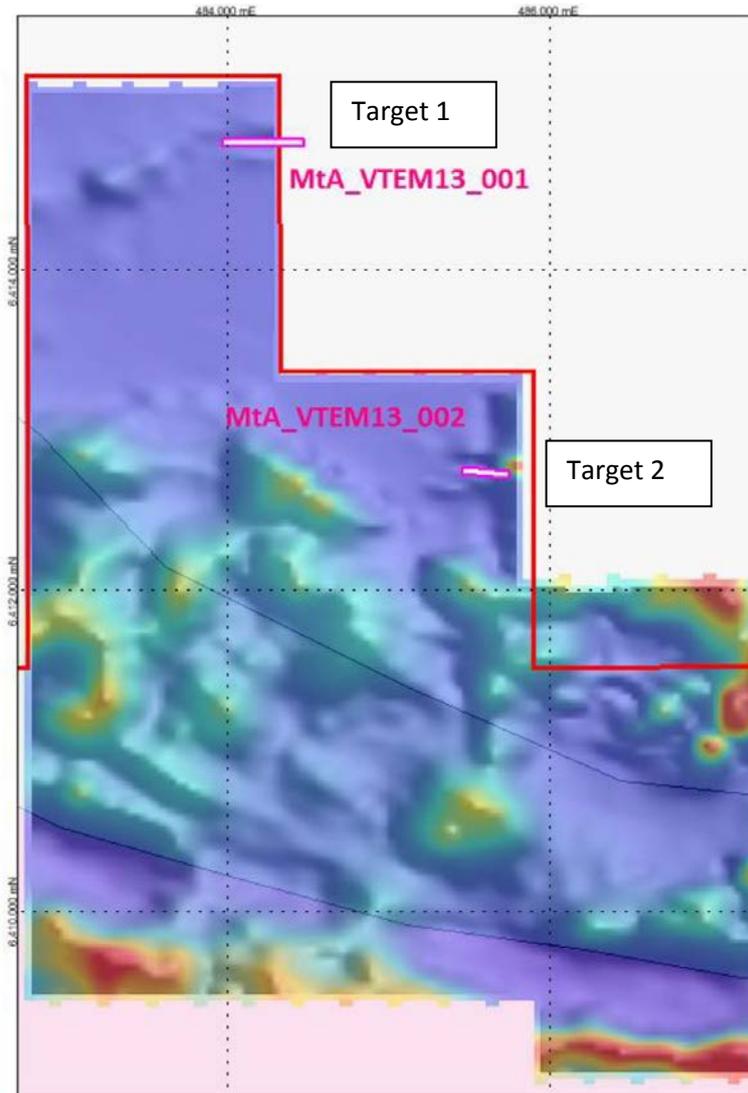


Figure 2. Mt Andrew project VTEMmax; EM Ch45 image, showing position of high priority targets, Target 1 and Target 2, within the survey area.

Zone of elevated near surface conductivity, possibly due to saline ground water, which might be masking some 'real' underlying bedrock conductors at depth. Elucidation might be possible via ground-based EM survey.

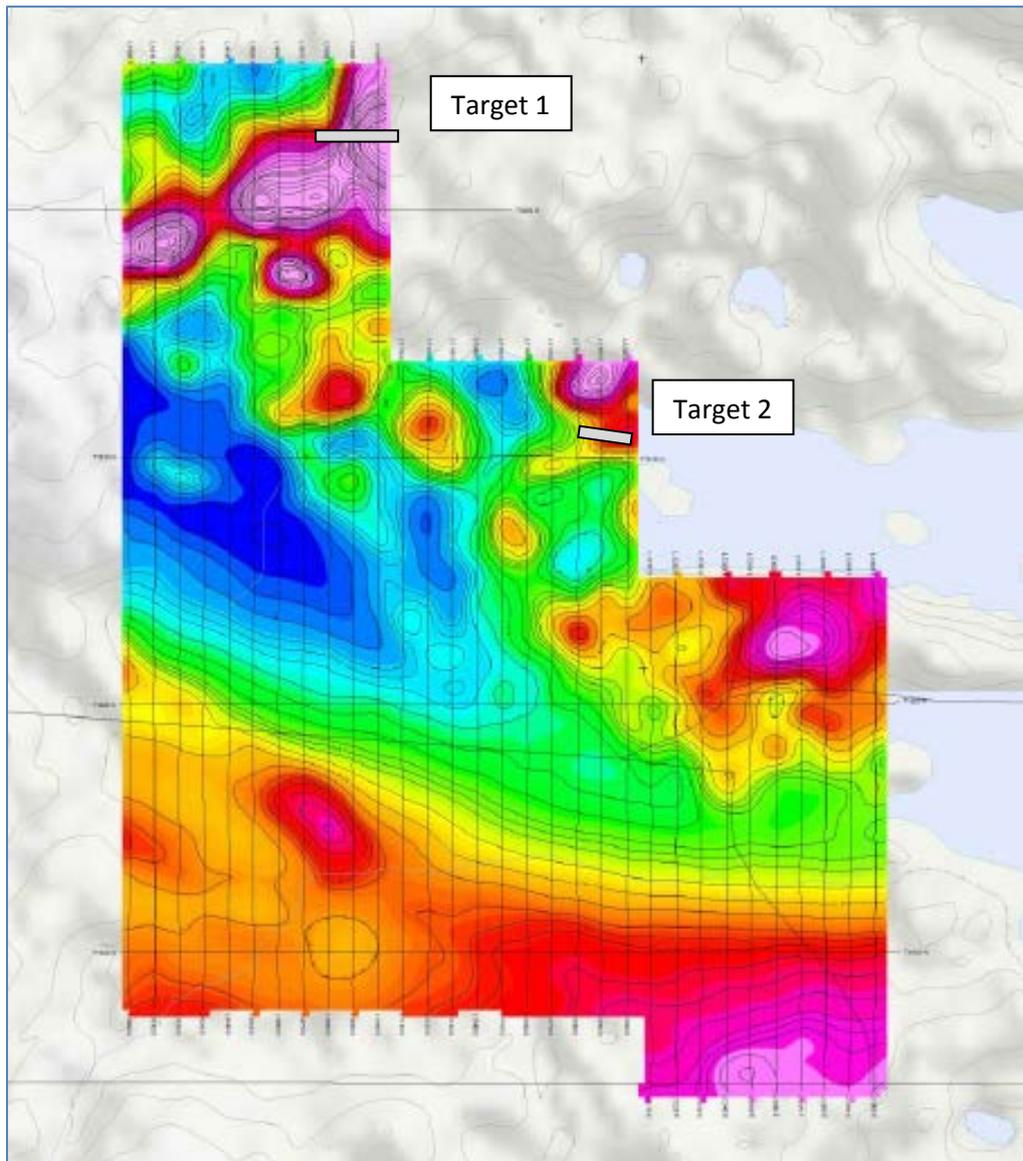


Figure 3. Position of Target 1 and Target 2 on image of Total Magnetic Intensity reduced to pole. Note generally NW trends in north and central parts of the area, reflecting geological trends within the Fraser Complex, and sub E-W trends in the south, reflecting transition into the Biranup Complex. Both target conductors are well within the Fraser Complex and are situated adjacent to and/or coincident with magnetic highs, which could indicate an association with mafic and/or ultramafic rocks.

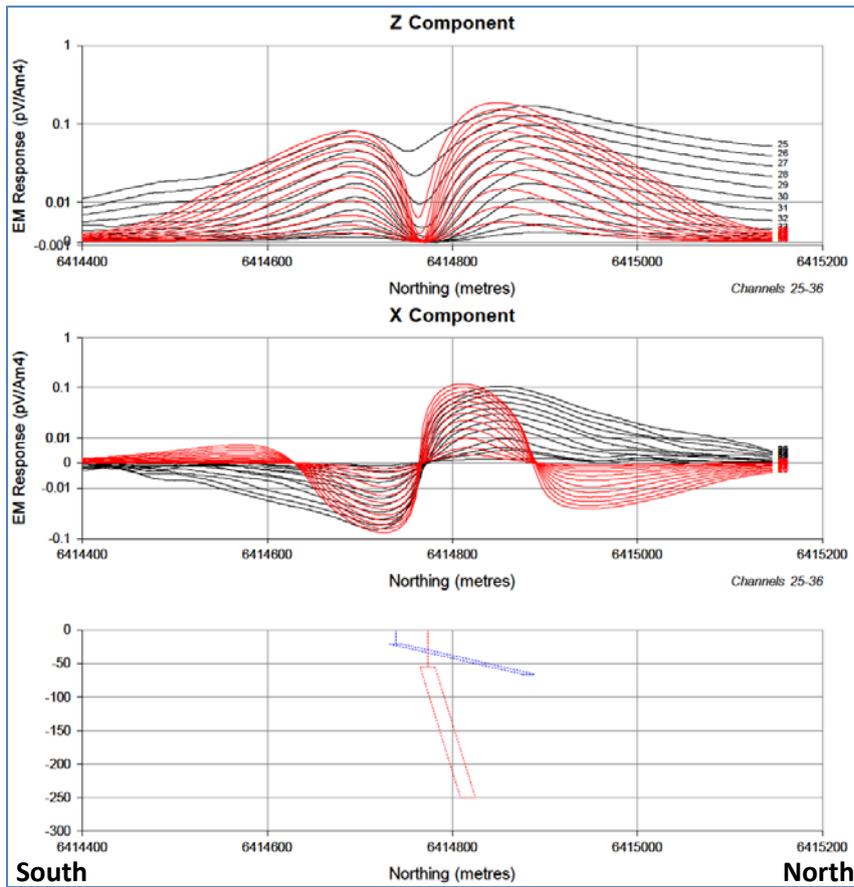


Figure 4.
 Mt Andrew project VTEMmax
 survey profiles of EM response.
 Line 1100, "Target 1"
 Black: field data
 Red: modelled data

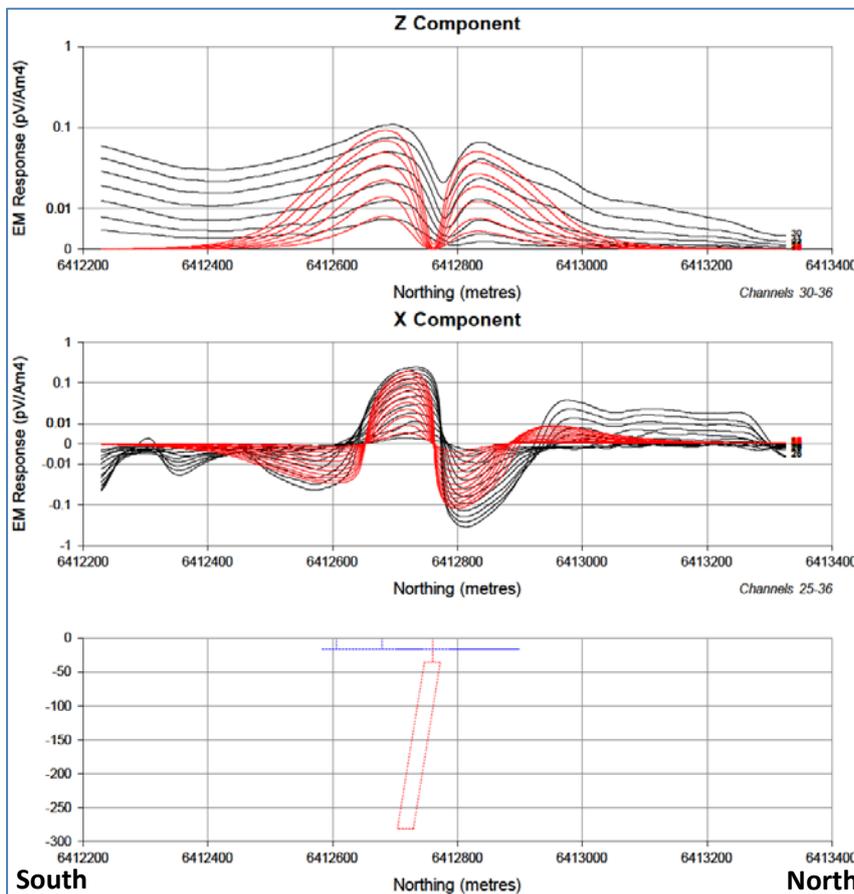


Figure 5.
 Mt Andrew project VTEMmax
 survey profiles of EM response.
 Line 1190, "Target 2"
 Black: field data
 Red: modelled data