QUARTERLY REPORT
For the period ended 30 September 2003
ASHBURTON MINERALS LTD
(“Ashburton” or “the Company”)

HIGHLIGHTS

Significant Events during Quarter:

- Placement on 12 August 2003 of 10,250,000 ordinary fully paid shares at 0.8 cents each raises $82,000 in general working capital.

- General Meeting of shareholders held on 18 August 2003 approves a consolidation of capital on a 1 for 15 basis and an issue of shares under a prospectus to raise working capital to fund the acquisition of the Drummond Basin project.

- Drummond Basin project acquisition completed on 28 August 2003 through the formal purchase from Delta Gold Exploration (1995) Pty Ltd, a wholly owned subsidiary of Placer Dome Asia Pacific Limited, of Wirralie Mines Pty Ltd, the owner of the project.

- Prospectus for the offer of 25 million ordinary fully paid shares (post consolidation) at 12 cent each to raise $3.0 million, with up to $0.5 million in oversubscriptions, closed oversubscribed on 8 September 2003, raising $3.5 million.

- Full year accounts for 2002/03 lodged on 30 September 2003.

Significant Events Subsequent to Quarter end:

- Agreement signed with Sons of Gwalia Ltd (“Gwallia”) to transfer a 100% interest in the Mulgabbie West tenement in WA to Gwalia in return for an acknowledged earn of 51% in the Yacamunda JV in the Drummond Basin in Qld. The Company retains a $1/tonne royalty ex Mulgabbie West.

- Prospectus lodged on 8 October 2003 for Loyalty Option offer of up to 6 million options at 1 cent each, exercisable at 12 cents each by 30 June 2006 to ‘Loyal Shareholders’

- East Kimberley nickel project generates interest on the back of significant corporate activity in this emerging nickel province.
REVIEW OF OPERATIONS

1. CORPORATE

1.1 Placement
On 12 August the Company placed 10,250,000 fully paid ordinary shares at 0.8 cents each with private investors to raise $82,000 in general working capital.

1.2 General Meeting of shareholders
A General Meeting of shareholders was held on 18 August 2003 at which several key Resolutions were put to shareholders for consideration and which were all passed.

Most importantly, shareholders approved the consolidation of the Company’s share capital on a 1 for 15 basis, that is, one new share issued for every 15 then existing shares. This resulted in a consolidation of the share capital to 23,340,761 shares. Unlisted options were similarly consolidated, resulting in 466,667 options exercisable at $1.50 by 31 December 2005, and 466,667 options exercisable at 28.8 cents by 31 December 2005. The Company’s shares commenced trading on a consolidated basis on 5 September 2003.

Shareholders also approved the issue, post-consolidation, of up to 29.17 million fully paid ordinary shares at 12 cents each pursuant to a placement prospectus to provide funds to complete the requirements of the acquisition of the Drummond Basin project and for consequent exploration, development and feasibility study working capital.

Also approved were resolutions authorising the issue of 4,166,667 free options exercisable at 12 cents each by 30 June 2006 to Macquarie Bank Limited pursuant to the terms of a performance bond facility agreement; the issue of 500,000 free fully paid ordinary shares to Mont Capital pursuant to a corporate advice agreement; and the placement, within three months of the meeting, of up to 2 million fully paid ordinary shares at 80% of market pursuant to a broker placement. These latter shares have not yet been placed.

1.3 Acquisition of Wirralie Mines Pty Ltd
On 28 August the Company formally completed the acquisition of Wirralie Mines Pty Ltd (“WMPL”), the owner of the Drummond Basin Project, through the purchase of WMPL from Delta Gold Exploration (1995) Pty Ltd, a wholly owned subsidiary of Placer Dome Asia Pacific Limited. The Company thus officially became the owner of the Wirralie gold mine, the 1.5 million tonne per annum treatment plant, associated infrastructure and approximately 3,600 sq km of exploration tenements in the Drummond Basin in NE Queensland.

1.4 Placement prospectus closed oversubscribed
On 8 September 2003 the Company closed its placement prospectus oversubscribed, successfully raising $3.5 million through the issue of 29,166,667 fully paid ordinary shares at 12 cents each. The prospectus was lodged with ASIC on 17 July 2003 and approval for the issue of shares pursuant to the prospectus was given by shareholders in general meeting on 18 August 2003. All the shares have been issued, taking the Company’s total issued capital to 53,214,525 shares.

1.5 Mulgabbie West/Yacamunda JV agreement with Sons of Gwalia Ltd
The Company entered into an agreement with Sons of Gwalia Ltd (“Gwalia”) by which the Company agreed to transfer a 100% interest in the Mulgabbie West (WA) tenement to Gwalia in return for Gwalia accepting that the Company has earned a 51% interest in the Yacamunda JV in the Drummond Basin in Queensland. The Company retains a $1.00/tonne production royalty from the Mulgabbie West tenement.
The Company became a party to the Yacamunda JV through its purchase of Wirralie Mines Pty Ltd, which would otherwise have been required to expend a further approximately $100,000 to earn its 51% interest in the Yacamunda JV.

The Yacamunda JV comprises four EPMs located peripheral to the Glen Eva mining lease, some 40 km south of Wirralie. Under the JV, on earning its 51% interest in the four EPMs, WMPL agreed to transfer a 49% interest in the mining lease to Gwalia.

The Yacamunda JV is now a 51% WMPL : 49% Gwalia contributing joint venture.

1.6 Loyalty Option prospectus
On 8 October the Company lodged a prospectus for the offer of up to 6 million options, issued at 1 cent each and exercisable at 12 cents each by 30 June 2006, to Loyal Shareholders, being those shareholders that participated in the Share Purchase Plan in January 2003 and whose holdings at the record date of 12 September 2003 did not fall below the level of their holdings immediately subsequent to the SPP on 10 January 2003. The Loyalty Options offer closes on 10 November 2003.

The non-renounceable offer is for 1 option for every 2 shares held and is made pursuant to an approval by shareholders in general meeting on 18 August 2003. If fully subscribed, the issue will generate $60,000 in general working capital for the Company. The Company stands to raise an additional $720,000 if the options are fully exercised. At close of business on 29 October 2003 the Company’s shares were trading at 16 cents each, having reached an intra-day high of 20 cents two weeks earlier.

2. EXPLORATION ACTIVITIES

2.1 Drummond Basin project
As announced on 29 October 2003, the Company has begun detailed work aimed at determining the economic feasibility of recommencing gold mining operations at the Wirralie mine based on the remaining low grade oxide resource which, based on a recent estimate by RSG Global, stands at a total of 143,000oz, of which RSG global estimates 83,000 oz is potentially economically recoverable at a gold price of A$550/oz.

The Company has appointed Enthalpy Pty Ltd, independent project management consultants, to prepare, initially, a Feasibility Study Work Plan that will be used as a guide for the subsequent evaluation studies. Enthalpy’s Mr Ted Mein has been appointed as Project Manager to oversee and prepare the feasibility study. It is currently anticipated that a bankable level document will be completed in the first quarter of 2004. Assuming successful financial closure consequent to this work, it is hoped that mining operations at Wirralie can recommence by the middle of 2004.

In parallel to these studies, the Company has commenced a review of all exploration work completed by previous owners and joint venture partners over the Drummond Basin project, with a senior consulting exploration geologist engaged to prepare an Exploration Review report to assist with identifying near term drilling targets that might potentially augment the oxide resource inventory.

2.2 East Kimberley project (50%; Ripplesea Pty Ltd 50%)
The Company owns, in 50:50 partnership with Ripplesea Pty Ltd, ten Exploration Licences in the East Kimberley region of Western Australia, encompassing some 2,000 sq km. Four of
the tenements are granted, with the remainder pending administrative and native title adjudication.

This region has received a wave of enthusiastic attention in recent times, with the Navigator Resources successful IPO, a joint venture deal between LionOre International and Thundelarra Exploration Ltd and a seed capital investment by Jubilee Mines NL in IPO hopeful Northern Star Resources Ltd, all occurring on the back of a strong and rising nickel price.

Similarly, the Company has received overtures from parties interested in farming into the East Kimberley project, which encompasses ground contiguous to the Thundelarra and Northern Star tenements, as shown in the attached plan.

TOM DUKOVIC
Managing Director
30 October 2003

NOTE: The information contained in this report insofar as it relates to exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr Tom Dukovic who is a Member of the Australian Institute of Geoscientists and who has sufficient relevant experience to qualify as a Competent Person as defined in the 1999 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. This report accurately reflects the information compiled by Mr Dukovic.
Figure: Ashburton Minerals Ltd East Kimberley Project Tenements
## Appendix 5B

**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

### Name of entity

**Ashburton Minerals Ltd**

### ACN or ARBN

<table>
<thead>
<tr>
<th>ACN or ARBN</th>
<th>Quarter ended (&quot;current quarter&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>008 894 442</td>
<td>30 September 2003</td>
</tr>
</tbody>
</table>

### Consolidated statement of cash flows

<table>
<thead>
<tr>
<th>Cash flows related to operating activities</th>
<th>Current quarter $A'000</th>
<th>Year to date (3 months) $A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1</strong> Receipts from product sales and related debtors</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.2</strong> Payments for</td>
<td>(39)</td>
<td>(39)</td>
</tr>
<tr>
<td>(a) exploration and evaluation</td>
<td>(151)</td>
<td>(151)</td>
</tr>
<tr>
<td>(b) development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) production</td>
<td>(99)</td>
<td>(99)</td>
</tr>
<tr>
<td>(d) administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.3</strong> Dividends received</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.4</strong> Interest and other items of a similar nature received</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>1.5</strong> Interest and other costs of finance paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.6</strong> Income taxes paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.7</strong> Other (provide details if material) Corporate Advisory Fees</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net Operating Cash Flows**

| **287** | **287** |

### Cash flows related to investing activities

| **1.8** Payment for purchases of: | (5) | (5) |
| (a) prospects                     |    |     |
| (b) equity investments            |    |     |
| (c) other fixed assets            |    |     |
| **1.9** Proceeds from sale of:    |     |     |
| (a) prospects                     |     |     |
| (b) equity investments            |     |     |
| (c) other fixed assets            |     |     |

**Net investing cash flows**

| **5** | **5** |

**Total operating and investing cash flows (carried forward)**

| **292** | **292** |

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*See chapter 19 for defined terms.*

1/7/98*
### Total operating and investing cash flows (brought forward)

<table>
<thead>
<tr>
<th>Description</th>
<th>Current quarter</th>
<th>Previous quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows related to financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issues of shares, options, etc.</td>
<td>3,582</td>
<td>3,582</td>
</tr>
<tr>
<td>Proceeds from sale of forfeited shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other - Cost of capital raising</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net financing cash flows</strong></td>
<td>3,582</td>
<td>3,582</td>
</tr>
</tbody>
</table>

### Net increase (decrease) in cash held

<table>
<thead>
<tr>
<th>Description</th>
<th>Current quarter</th>
<th>Previous quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at beginning of quarter/year to date</td>
<td>138</td>
<td>138</td>
</tr>
<tr>
<td>Exchange rate adjustments to item 1.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at end of quarter</td>
<td>3,428</td>
<td>3,428</td>
</tr>
</tbody>
</table>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate amount of payments to the parties included in item 1.2</td>
<td>48</td>
</tr>
<tr>
<td>Aggregate amount of loans to the parties included in item 1.10</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation necessary for an understanding of the transactions**

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available**

Add notes as necessary for an understanding of the position.

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* See chapter 19 for defined terms.
Appendix 5B
Mining exploration entity quarterly report

<table>
<thead>
<tr>
<th>3.1 Loan facilities</th>
<th>Amount available</th>
<th>$A'000</th>
<th>Amount used</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Credit standby arrangements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Estimated cash outflows for next quarter**

<table>
<thead>
<tr>
<th>4.1 Exploration and evaluation</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4.2 Development</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Total</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

<table>
<thead>
<tr>
<th>5.1 Cash on hand and at bank</th>
<th>Current quarter $A'000</th>
<th>Previous quarter $A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,428</td>
<td>76</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.2 Deposits at call</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,000</td>
<td>82</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.3 Bank overdraft</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>5.4 Other (provide details)</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

**Total: cash at end of quarter (item 1.22)**

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3,428</td>
<td></td>
<td>138</td>
</tr>
</tbody>
</table>

**Changes in interests in mining tenements**

<table>
<thead>
<tr>
<th>6.1 Interests in mining tenements relinquished, reduced or lapsed</th>
<th>Tenement reference</th>
<th>Nature of interest (note (2))</th>
<th>Interest at beginning of quarter</th>
<th>Interest at end of quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>E08/923</td>
<td>Relinquished</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>E08/925</td>
<td>Relinquished</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>E08/926</td>
<td>Relinquished</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>E08/929</td>
<td>Relinquished</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>E08/1185</td>
<td>Relinquished</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>E08/1206</td>
<td>Relinquished</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

+ See chapter 19 for defined terms.
### 6.2 Interests in mining tenements acquired or increased

<table>
<thead>
<tr>
<th></th>
<th>Acquired</th>
<th>0%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPM 8908</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPM 9718</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPM 12341</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>EPM 9508</td>
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<td></td>
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<tr>
<td>MDL 22</td>
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<td></td>
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<tr>
<td>ML 1079</td>
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<td></td>
<td></td>
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<tr>
<td>EPM 8909</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>EPM 9510</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>EPM 11492</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>EPM 11814</td>
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<td></td>
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<td>EPM 12112</td>
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<tr>
<td>EPM 12257</td>
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<td></td>
<td></td>
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<tr>
<td>EPM 12526</td>
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<td></td>
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<tr>
<td>EPM 13114</td>
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<td></td>
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<tr>
<td>EPM 13155</td>
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<td></td>
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<tr>
<td>EPM 13156</td>
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<td></td>
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<tr>
<td>ML 1029</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ML 1085</td>
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<td></td>
<td></td>
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<td>ML 1086</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ML 10227</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPM 8257</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>EPM 11488</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ML 1095</td>
<td></td>
<td></td>
<td></td>
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<td>ML 1096</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ML 2292</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ML 2312</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*See chapter 19 for defined terms.*
# Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

<table>
<thead>
<tr>
<th></th>
<th>Total number</th>
<th>Number quoted</th>
<th>Issue price per security (see note 3) (cents)</th>
<th>Amount paid up per security (see note 3) (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Preference securities <em>(description)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 7.2 | Changes during quarter  
(a) Increases through issues  
(b) Decreases through returns of capital, buy-backs, redemptions | | | |
| 7.3 | *Ordinary securities* | 53,214,525 | 53,214,525 | |
| 7.4 | Changes during quarter  
(a) Increases through issues  
(b) Decreases through returns of capital, buy-backs | | | |
| 7.5 | *Convertible debt securities* *(description)* | | | |
| 7.6 | Changes during quarter  
(a) Increases through issues  
(b) Decreases through securities matured, converted | 1:15 consolidation of effective 19 August | share capital 2003 | |
| 7.7 | Options *(description and conversion factor)*  
933,335 (ATNAI) Employee Option Incentive Scheme | | Exercise price various | Expiry date 31/12/2005 |
| 7.8 | Issued during quarter | | | |
| 7.9 | Exercised during quarter | | | |
| 7.10 | Expired during quarter | | | |
| 7.11 | Debentures *(totals only)* | N/A | | |
| 7.12 | Unsecured notes *(totals only)* | | | |
Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does /does not* (delete one) give a true and fair view of the matters disclosed.

[Signature]

Sign here: .................................................. Date: 30 October 2003.

(Director/Company secretary)

Print name: ..................................................

Notes

1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

See chapter 19 for defined terms.