



3 July 2009

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

**SALE OF CUIABA GOLD PROJECT FOR US\$5 M**

The Company wishes to advise that its Brazilian subsidiary Trans Pacific Gold Mineracao Ltda ("TPGM") has signed an agreement to sell all of its interest in the Cuiaba Gold Project in the state of Mato Grosso to a Brazilian national company for a cash consideration of US\$5 million (approx A\$6.2 M).

An initial payment of R\$500,000 (Brazilian Real; approx A\$320,000) was received by TPGM on signing of the agreement. The balance of the funds will be received in staged payments triggered by the lodgement of applications to transfer titles and, subsequently, by the gazetted transfer of the titles to the purchaser. It is anticipated that the whole process will be completed within 6 - 8 weeks.

This is an exceptionally good result in the current economic climate, providing significant funds and securing the near term future of the Company without further shareholder equity dilution. The funds will allow Ashburton to undertake exploration over its other properties, including the promising Mt Webb copper-gold project and the Sunday Bore uranium project, both in Western Australia, and to evaluate potential new projects. The funds will also allow TPGM to pursue other opportunities in Brazil, which remains extremely prospective and under-explored with modern techniques.

The Company, through TPGM, has been building its position in the Cuiaba - Pocone gold mining district since 2005 to become the dominant tenement holder with an estimated 1,400 sq km of ground within this 230-year old artisanal goldfield. The Company's exploration efforts culminated late in 2008 with the discovery of a wide zone of bedrock gold mineralisation at the Teixeirainha prospect. These results confirmed the presence in the district of mineralisation of a style and scale not previously recognised and the Company had hoped to undertake a major capital raising to fund a scaled-up level of exploration needed to properly develop the area. As this was not possible under the subsequent market conditions, the Company was compelled to consider other options including joint venturing the project to a suitably funded major or a partial or outright sale.

Ultimately, the board of directors took the view that an outright sale on appropriate terms was clearly a better result for shareholders.

To enable the completion of the transaction, the Company earlier finalised an agreement with Minmet plc to acquire all of Minmet's rights and interests in the Cuiaba Gold Project by the payment of A\$100,000 in cash and the issue to Minmet of 8,333,333 shares in Ashburton.

The completion of this deal will put the Company in a strong position to move forward, with a sound cash balance, an exciting copper-gold project at Mt Webb, and the ability to take advantage of new opportunities as they arise.

Yours faithfully,

A handwritten signature in black ink that reads "Tom Dukovic". The signature is written in a cursive style and is underlined with a single horizontal line.

Tom Dukovic  
Managing Director

For further information, please contact:

Ashburton Minerals Ltd

Tel: +61 8 9225 9000

Fax: +61 8 9225 9001

Email: [info@ashmin.com.au](mailto:info@ashmin.com.au)

or visit our website: <http://www.ashburton-minerals.com.au> and join our e-list.