

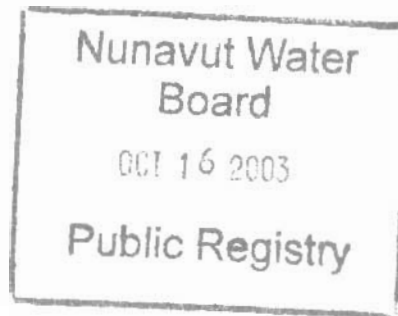


**ASHTON MINING
(NORTHWEST TERRITORIES) LTD.**

BY EMAIL

May 14, 2003

Mr. Jim Wall, Technical Advisor
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0



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Dear Mr. Wahl:

RE: SUMMARY OF ASHTON WATER USE PERMITS TO APRIL 30, 2003

The following report details Ashton's activities under each of its seven Nunavut Water Board permits. At present four of these permits are active while the other three have expired at various points over the last three years.

Ashton's exploration activities require water for both domestic and drill use. At present Ashton has two camps established in Nunavut, the RJ Camp and the Phantom Camp. Our operations are exploratory in nature and as a result our camp habitation generally does not exceed 8 employees. Camp grey water is deposited in a small land based sump while combustible waste is taken care of in a single burning barrel. An outhouse is sufficient for containment of sewage.

Ashton drill operations are mainly exploratory or delineation. Water is always contained in a sufficiently large land based natural depression at least 30 metres from the high water mark of the nearest water body. The use of drill muds is kept to a minimum and the competency of the rock generally allows us to drill additive free. Water bodies are selected on the basis of their proximity to the target and their ability to support drill operations without being drawn down.

No spills have occurred under any of the seven permits.

PERMIT NWB2CON9899

The annual report for NWB2CON9899 was filed with the Nunavut Water Board on October 20, 1999.

PERMIT NWB2CON9901 (2)

This permit was not utilized, a letter was filed with the Nunavut Water Board on September 24, 2002

PERMIT NWB2KLA0103 (3)

The Phantom Camp was established at coordinates latitude -112°51'29" longitude 67°12'37". The camp consists of six canvas prospectors tents and has been used as a base camp for exploration activities since August of 2001. The camp is operational on a seasonal basis and while not in use is demobilized. Generally the camp is operational for 20 days during the summer field season (mainly August with portions of September) and 60 days in the winter (manly April with portions of March and May). Table 1.0 outlines Ashton's use of the Phantom Camp.

Table 1.0 – Phantom Camp

Season	Days	Water Use (@ 400litres/day)
Summer 2001	20	8,000
Winter 2002	60	24,000
Summer 2002	20	8,000
Winter 2002	60	24,000
Winter 2003	60	24,000
Totals:	220	88,000

Drilling operations have occurred on the property for three exploration seasons beginning in August 2001.

Drilling Summer 2001

Four drill holes were completed at two sites. Drill operations required five days to complete including a day for setup at each drill site. As operations occurred during the summer water requirements were kept to a minimum since there was no risk of freezing and water could be re-circulated. Approximate water usage is estimated at 37,500 litres (72 hours x 50,000 litres/24 hours x 0.25 water requirement).

Winter Drilling 2002

Thirteen drill holes were completed at six sites. Drill operations required 28 days to complete including a day for setup at each drill site and five days for weather problems. As operations occurred during the winter it was necessary to pump water continuously. Approximate water usage is estimated at 850,000 litres (408 hours x 50,000litres/24 hours).

Summer Drilling 2002

Four drill holes were completed at four sites. Drill operations required 10 days to complete including a day for setup at each site. As operations occurred during the summer water requirements were kept to a minimum since there was no risk of freezing and water could be re-circulated. Approximate water usage is estimated at 75,000 litres (144 hours x 50,000litres/24 hours x 0.25 water requirement).

Winter Drilling 2003

Four drill holes were completed at four sites. Drill operations required 8 days to complete including a day for setup at each site. As operations occurred during the winter it was necessary to pump water continuously. Approximate water usage is estimated at 200,000 litres (96 hours x 50,000litres/24 hours).

PERMIT NWB2EOK0103 (4)

The Eokuk Camp was authorized at latitude -112°57'49" longitude 67°24'09" but was never constructed.

Drilling operations have occurred on the property for three exploration seasons beginning in August 2001.

Summer Drilling 2001

One drill hole was completed at one setup. Drill operations required two days to complete including one day for site setup. As operations occurred during the summer water requirements were kept to a minimum since there was no risk of freezing and water could be re-circulated. Approximate water usage is estimated at 12,500 litres (24 hours x 50,000litres/24 hours x 0.25 water requirement).

Winter Drilling 2002

Nine drill holes were completed at 4 setups. Drill operations required 18 days to complete including a day for setup at each site. As operations occurred during the winter it was necessary to pump water continuously. Approximate water usage is estimated at 700,000 litres (336 hours x 50,000litres/24hour).

Winter Drilling 2003

One drill hole was completed at one setup. Drill operations required 2 days to complete including a day for site setup. As operations occurred during the winter it was necessary to pump water continuously. Approximate water usage is estimated at 50,000 litres (24 hours x 50,000litres/24hour).

PERMIT NWB2KIG0002 (5)

The RJ Camp was authorized at latitude -113°02'46" longitude 66°43'46". The camp consists of 5 canvas prospectors tents and has been in use by Ashton since July 1997. The camp is operational on a seasonal basis and while not in use is demobilized. Generally the camp is operational for 30 days during the summer field season (mainly August with portions of July or September) and 30 days in the winter (mainly April with portions of March and May). Table 1.0 outlines Ashton's use of the RJ Camp.

Table 1.0 – RJ Camp

Season	Days	Water Use (@ 400litres/day)
Summer 2001	20	8,000
Winter 2002	60	24,000
Summer 2002	20	8,000
Winter 2002	60	24,000
Totals:	160	64,000

Summer Drilling 2000

Six drill holes were completed at three setups. Drill operations required seven days to complete including one day for setup at each site. As operations occurred during the summer water requirements were kept to a minimum since there was no risk of freezing and water could be re-circulated. Approximate water usage is estimated at 50,000 litres (96 hours x 50,000litres/24 hours x 0.25 water requirement).

Summer Drilling 2001

Two drill holes were completed at two setups. Drill operations required four days to complete including one day for setup at each drill site. As operations occurred during the summer water requirements were kept to a minimum since there was no risk of freezing and water could be recirculated. Approximate water usage is estimated at 25,000 litres (48 hours x 50,000/24 hours x 0.25 water requirement)

PERMIT NWB2RIC205 (6)**Winter Drilling 2003**

Four drill holes were completed at four setups. Drill operations required 11 days to complete including one day for setup at each drill site and two weather days. As operations occurred during the winter it was necessary to pump water continuously. Approximate water usage is estimated at 250,000 litres (120 hours x 50,000 litres/24 hours)

PERMIT NWB2VAM0205 (7)

This permit has not been utilized.

If you have any questions concerning the summary of activities please feel free to contact me at (604) 983-7764.

Sincerely,

ASHTON MINING (NORTHWEST TERRITORIES) LTD.

A handwritten signature in black ink, appearing to read 'D. Willis', with a stylized flourish at the end.

David Willis
Land Administrator