



ASHURST TECHNOLOGY LTD. AND ASHURST TECHNOLOGY CANADA INC. ANNOUNCE 1997 FIRST QUARTER RESULTS

Hamilton, Bermuda, June 30 - Ashurst Technology Ltd. (Toronto: ASH.UN; OTC Bulletin Board: AHRLF; London AIM: AHR) ("the Company"), and Ashurst Technology Canada Inc., announce today their first quarter results for 1997. The quarter represented a busy and successful period for the Company, highlighted by the signing of agreements to cooperate in the development of five advanced gold deposits in Ukraine and the successful commercial launch of aluminum-scandium baseball and softball bats from its licensee Easton Sports. Other important achievements included the issuance of a significant U.S. patent for aluminum-scandium alloys and products, and the signing of development and license option agreements with McDonnell Douglas Aerospace and United Technologies.

During the three months ended April 30, 1997, a loss of \$2,041,372 was incurred, equal to a loss of U.S. \$0.02 per common share unit versus a loss of \$2,040,971, equal to a loss of \$0.02 per share for the first quarter one year ago. Revenue of \$1,235,576 was earned during the first quarter of 1997 compared to revenue of \$817,023 earned during the first quarter of 1996. Revenues included sales of \$759,220 of iron concentrate from the Company's mining interest in Ukraine, interest income of \$146,600 and other income of \$329,756. Expenses included production costs of \$856,120 from iron concentrate operations, research and development costs of \$1,104,004, administrative development and general expenses of \$778,520 and non-cash expenses of \$538,304. As at April 30, 1997, the Company's cash balance was \$9,224,911 compared to \$19,841,062 for the same period in 1996.

On March 25, 1997, the Ukrainian State Owned Closed Joint Stock Company "Ukrzoloto" and Ashurst Resources International Ltd., announced the completion of agreements defining their mutual cooperation in developing five advanced gold projects and three additional exploration prospects located on the Ukrainian Shield.

The five projects are known as Serhiivske, Balka Zolota, and Balka Shiroka, located in the Dnipropetrovsk Oblast (region) in addition to Klintsivske and Yuriivske in the Kirovohrad Oblast. The deposits are narrow vein and similar to those found in Timmins and Kirkland Lake, Ontario on the Canadian Abitibi Shield. Independent Canadian mining consultants Kilborn Inc. and MineTech International Limited have been retained to evaluate existing data and work conducted by the Ukrainian government. Such work includes:

- - over 1,000 drill holes averaging 300 meters in depth;
- - over 30,000 fire assays, with core splits available for additional

assay;

- - preliminary metallurgical tests indicating that 70% of the gold can be

extracted by gravity methods;

- - at Balka Shiroka, a 6 meter diameter production shaft currently at

120 meters depth; and

- - readiness at Klintsivske for bulk sampling with a 41 meter shaft and

several hundred meters of horizontal development.

Preliminary evaluation of the data reviewed indicates the projects have an inferred resource of 500-600 tonnes (16-19 million ounces) of gold with an average grade of 6 to 8 g/t gold. Excellent infrastructure exists at, or in close proximity to, each of the project sites including high voltage electrical power, paved roads and water supplies.

The three exploration areas are known as the Surska Structure, the Chertomlyska Structure and the Kirovohrad Ore Field. Over 300 drill holes between 200-300 meters in depth have been completed which indicate a potential gold resource of over 1,000 tonnes (32 million ounces) and excellent potential for base metal deposits.

The Company has retained the services of Kilborn Inc. as engineering consultant for the project. Following visits to the sites, Kilborn is completing a due diligence report and a ranking of the deposits according to timing and cost in order to plan the steps to complete feasibility studies on each of the five projects. Mr. H. Andrew Daniels, a Senior Geologist from Kilborn, has been assigned to Ashurst Resources International to act as Head of Exploration for the project. Preparation for bulk sampling and up to 100 tonne/day pilot plant operations have begun at the Klintsivske deposit.

During the quarter, Ashurst continued to attract increasing interest in its aluminum-scandium alloys. This interest was accelerated by the North American market launch of aluminum-scandium baseball and softball bats from Easton Sports on February 17. The launch was extremely well received with all product available sold out during the first two days of its introduction. Easton has claimed that the international advertising and promotional campaign for Redline represents the most significant product launch in its 75-year history. Ashurst is currently working with Easton and two additional sports equipment companies to introduce additional aluminum-scandium products to market.

On April 15th, Ashurst was awarded U.S. patent number 5,620,652, protecting specific aluminum-scandium alloy compositions and their application in a wide variety of recreational and sports equipment, and in certain aerospace, ground transportation and marine structures and components.

In February, McDonnell Douglas Aerospace awarded Ashurst Government Services, Inc. a preliminary \$75,000 contract to investigate the development of a new class of high strength, weldable aluminum alloys, based on Ashurst's aluminum-scandium alloy technology. Potential applications include structural components for a number of launch vehicles, military transport aircraft, commercial aircraft and fighter aircraft. In March, Ashurst Government Services was also awarded a \$142,000 development contract from United Technologies Research Center. The two-year program, funded by the Defense Advanced Research Program Agency is for the development of ultra-lightweight, high temperature porous titanium developed by Ashurst. Ashurst's low-cost ingot metallurgy process can introduce porosity into the micro structures of titanium thereby lowering the density while maintaining many of the important properties of the material. Porous titanium will be evaluated for a number of aerospace applications including high temperature sound and vibration damping systems and ultra-lightweight structures.

Ashurst develops mineral resources and advanced materials in Ukraine and North America. Ashurst's business extends from mining, extractive metallurgy and alloy processing to the development, production, sale and license of advanced materials technologies and products. These materials provide performance advantages in sports equipment, aerospace, automotive, transportation and micro-electronic applications.

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