

QUARTERLY ACTIVITIES REPORT AS AT 30 SEPTEMBER 2014

ASX Code: AZQ

Securities on Issue

131.3 Ordinary Shares
 3.1M \$0.20 options expiring 11/2016
 0.4M \$0.40 options expiring 02/2016
 50.0M unlisted Executive Incentives

Directors

Paul Kopejtka
 (Executive Chairman)

Andrew Caruso
 (Executive Director)

Francis De Souza
 (Executive Director)

Shahb Richyal
 (Non-Executive Director)

James McClements
 (Non-Executive Director)

Nathan Featherby
 (Non-Executive Director)

Contact Details

Perth Office

512 Hay Street,
 Subiaco, WA, 6008
 T: +61 08 9381 4534
 F: +61 08 9380 6440

E: info@ascotresources.com

W: www.ascotresources.com

WONMUNNA IRON ORE PROJECT

- On 22 September 2014, Ascot completed the acquisition of a 100% interest in the Wonmunna Iron Ore Project (**Wonmunna**) from Ochre Group Holdings Ltd (**Ochre**).
- An application for a Native Vegetation Clearing Permit (**NVCP**) for Wonmunna was submitted to the Department of Mines and Petroleum (**DMP**) for approval in August 2014.
- Subsequent to quarter end:
 - Ascot commenced a geotechnical drilling program in order to finalise the submission of the Mining Proposal to the DMP during the next quarter; and
 - the NVCP was granted representing another important step towards obtaining the required environmental approvals to support the planned commencement of mining in the first half of 2015.

TITIRIBI COAL PROJECT

- During the quarter, Ascot made a submission for environmental (PMA) approval and continued to progress its submission for the mining (PTO) approval.

CORPORATE

- In connection with the Wonmunna transaction, Resource Capital Fund V L.P. (RCF) and global commodities trader the Gunvor Group each subscribed c.\$5m for shares in Ascot at an issue price of \$0.25.
- Ascot issued 50m shares to Ochre as part consideration for the acquisition of the Wonmunna project.
- Following the resignation of Mr. David Berg, Mr. Chris Foley was appointed as Company Secretary and Legal Counsel.
- Subsequent to quarter end, Ascot appointed Messrs James McClements, Shahb Richyal and Nathan Featherby (nominees of RCF, Gunvor and Ochre respectively) as Non-Executive Directors.

FINANCIAL

- At 30 September 2014 the Company had cash reserves of \$7.6 million.
- At 30 September 2014 the Company had a market capitalisation of \$24.9 million (based on a share price of \$0.19).

PROJECT ACTIVITIES

WONMUNNA IRON ORE PROJECT

In March 2014, Ascot announced it had entered into an agreement to acquire a 100% interest in the Wonmunna Project from Ochre (**the Transaction**). Following a period of relatively weak market conditions and despite both companies having received shareholder approval to proceed with the Transaction, on 3 July 2014, Ascot and Ochre mutually agreed to revise the Transaction terms such that the consideration payable to Ochre was reduced to:

- 50 million fully-paid ordinary Ascot shares , to be issued on completion;
- A cash payment of A\$2 million, payable on completion;
- a further A\$19.95 million payable within 5 years from first sale of product; and
- a 1% gross revenue royalty commencing 12 months after first sale of product.

In addition, Ascot agreed to assume Ochre's obligation to Talisman Mining Limited (a previous owner of the Project) to pay a 1% gross revenue royalty beginning from first shipment of product.

On 22 September 2014, Ascot completed the acquisition of the Wonmunna project from Ochre. In connection with the Transaction, Ascot's existing cornerstone investor, Resource Capital Fund V L.P. (**RCF**), and global commodities trader, the Gunvor Group (**Gunvor**), each subscribed for c.A\$5 million in new shares. Collectively, commitments by RCF, Gunvor and other sophisticated investors participating in the Ascot capital raising process (at an issue price of \$0.25 per share) totalled cA\$11.2m.

In early August 2014, following extensive environmental desktop and field studies of a proposed project footprint within the Wonmunna tenements, Ascot submitted an application for a Native Vegetation Clearing Permit (**NVCP**) to the Department of Mines and Petroleum (**DMP**). Subsequent to quarter end, in October 2014, the NVCP was granted representing another important step towards obtaining the required environmental approvals for the planned commencement of mining in the first half of 2015.

Also subsequent to quarter end, on 15 October, the Company commenced a geotechnical drilling program in order to finalise the submission of the Mining Proposal to the DMP in Q4 2014.

With the acquisition of Wonmunna and associated capital raising now complete, Ascot is in a position of financial strength and will focus on securing critical path project approvals with an emphasis on meeting its development timelines.

TITIRIBI COAL PROJECT

During the quarter, Ascot made a submission to CorAntioquia for its environmental (PTA) approvals and continued to advance the finalisation of its submissions for mining (PMO) approvals to Colombia's National Mining Agency (ANM).

BUSINESS DEVELOPMENT

URABÁ COAL PROJECT

During the quarter Ascot continued discussions with the current concession holder with respect to re-negotiating the terms for the acquisition of an interest in the project.

MINING TENEMENTS

For details of mining tenements held, acquired or disposed of by Ascot during the quarter, refer to Appendix 1 of this report.

CORPORATE

Issue of Shares in respect of Capital Raising

In connection with the Wonmunna Transaction, Ascot successfully raised cA\$11.2 million from the issue of shares to existing and new sophisticated investors at a price of A\$0.25 per share. As part of this capital raising, Ascot's existing cornerstone investor, RCF and global commodities trader, Gunvor, each subscribed for c.A\$5 million in new shares.

RCF has agreed to subscribe for its shares in two tranches:

- Tranche 1 – comprising 18.8 million shares were issued on completion of the Wonmunna Transaction;
- Tranche 2 – comprising 1.2 million shares (at A\$0.25 per share) will be issued following receipt of shareholder approval at Ascot's 2014 Annual General Meeting in November. Foreign Investment Review Board (FIRB) approval will also be sought for the issue of these shares.

Appointment of Company Secretary

On 22 July 2014, Ascot announced that following the resignation of Mr. David Berg, the Company appointed Mr. Chris Foley as Company Secretary and Legal Counsel, effective immediately. Mr. Foley has over 25 years' experience in the resources sector in both private practice and various corporate roles.

Events Subsequent to Quarter End

On 14 October 2014, Ascot announced the appointment of three new Non-executive Directors to the Company's Board, Messrs Nathan Featherby (Ochre), James McClements (RCF) and Shahb Richyal (Gunvor). The Company also announced that Mr Paul Kopejtka will continue as Executive Chairman, Mr Andy Caruso (previously Managing Director) will continue as Executive Director and Deputy Chairman and Mr Francis DeSouza (previously Non-Executive Director) has been appointed as Executive Director, Corporate.

FINANCIAL

At 30 September 2014 the Company had cash reserves of \$7.6 million with a further \$300,000 expected from RCF in December 2014 post shareholder approval (Tranche 2 above).

About Ascot Resources Limited

Ascot Resources Limited (“Ascot”) is an ASX listed resources company focused on exploring and developing opportunities in steel making minerals.

The Company’s major asset is the Wonmunna Iron Ore Project, an advanced exploration asset located in the iron ore-rich Pilbara region, 80km northwest of Newman. The Wonmunna Project comprises 3 mining leases and 1 exploration licence (total area c.230km²) and is intersected by the Great Northern Highway, providing direct road access to Port Hedland. The Company is in the process of advancing the development of the Wonmunna Project, aiming to deliver a near-term production outcome.

In addition, Ascot owns a 90% JV interest in the Titiribi Coal Project located in the Department of Antioquia, Colombia. The Project is located only 70km from State Capital Medellin and is close to existing utilities and infrastructure.

Paul Kopejtko

Ascot Resources Limited

Executive Chairman

T: +61(0) 8 9381 4534

F: +61(0) 8 9380 6440

APPENDIX 1 - MINING TENEMENTS

Pursuant to ASX Listing Rule 5.3.3, the Company provides the following information in relation to mining tenements held at the end of the quarter and acquired or disposed of during the quarter and their locations.

Mining tenements held as at 30 September 2014 and their location

Tenement/ Concession No.	Status	Location	Beneficial Owner
FHH-092	Granted	Antioquia, Colombia	Carbones de Titiribi SAS
HJID-06	Granted	Antioquia, Colombia	Carbones de Titiribi SAS
HJLI-01	Granted	Antioquia, Colombia	Carbones el Basal SAS
5849 ¹	Granted	Antioquia, Colombia	CDI
5837 ¹	Granted	Antioquia, Colombia	CDI
E47/1137	Granted	Pilbara, WA	Wonmunna Iron Ore Pty Ltd*
M47/1423	Granted	Pilbara, WA	Wonmunna Iron Ore Pty Ltd*
M47/1424	Granted	Pilbara, WA	Wonmunna Iron Ore Pty Ltd*
M47/1425	Granted	Pilbara, WA	Wonmunna Iron Ore Pty Ltd*

Footnote:

¹ Each of these areas form part of concession application numbers 5849 and 5837 but have yet to be allocated individual concession numbers.

*Wonmunna Iron Ore Pty Ltd is a wholly owned subsidiary of Ascot Resources Ltd

Mining tenements acquired or disposed of during the quarter and their location

During the quarter, Ascot acquired a 100% interest in the Wonmunna Iron Ore Project comprising exploration licence E47/1137 and mining leases M47/1423-1425 located in the Pilbara region of Western Australia. Completion of the acquisition took place on 22 September 2014.

No tenements were disposed of in the quarter.

Beneficial percentage interests held in farm-in or farm-out agreements as at 30 September 2014

Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Nil

Appendix 5B

Rule 5.3

**Mining exploration entity and oil and gas exploration entity
quarterly report**

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

ASCOT RESOURCES LIMITED

ABN

85 146 530 378

Quarter ended
('current quarter')

30/09/2014

Statement of Cash Flows

	Current quarter 30 September 2014	Year to date (3 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation*	(2,454)	(2,454)
(b) development	-	
(c) production	-	
(d) administration	(679)	(679)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(22)	(22)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
*Inc payment of stamp duty		
Net Operating Cash Flows	(3,154)	(3,154)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(6)	(6)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(51)	(51)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(57)	(57)
1.13 Total operating and investing cash flows		

<i>Statement of cash flows continued...</i>			
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	10,213	10,213
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs on Non-Cash Director Shares issued)	-	-
Net Financing Cash Flows		10,213	10,213
Net increase (decrease) in cash held			7,002
1.20	Cash at beginning of quarter/year to date	634	634
1.21	Exchange rate adjustments to item 1.20	(1)	(1)
1.22	Cash at end of quarter	7,635	7,635

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	107
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 Reimbursement: \$42 , Consultancy fees: \$65

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

Issue of 50m shares and deferred consideration of \$19.75m in respect of the purchase of the Wonmunna Iron Ore project from Ochre Group Holdings (OGH).

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

None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,770	2,770
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter		\$A'000
4.1 Exploration and evaluation		2,340
4.2 Development		-
4.3 Production		-
4.4 Administration		585
Total		2,925

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is as follows.	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,585	583
5.2 Deposits at call	50	50
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	7,635	633

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum acquired or increased	<u>Newman</u> E47/1137 M47/1423, M47/1424, M47/1425	Beneficial Owner 0%	100%

+ 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.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities*	130,926,026	130,926,026	-	-
7.4 Changes during quarter				
(a) Increases through issues	92,162,423	92,162,423	-	-
(b) Decreases through return of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities	4	Nil	\$2,770,000	-
7.6 Changes during quarter				
(a) Increases through issues	-	Nil	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description)			<i>Exercise price</i>	<i>Expiry date</i>
Employee Options	400,000	-	\$0.40	22/02/2016
Options	3,136,335	-	\$0.20	28/11/2016
Performance Rights	750,000	-	Nil	30/06/2015
Performance Rights	50,000,000	-	Nil	Nil
7.8 Issued during quarter (performance rights)	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Cancelled during the quarter	-	-	-	-
7.12 Debentures (totals only)	-	-	-	-
7.13 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 Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 29 October 2014



Print name: Andrew Caruso

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

== == == == ==