



A.C.N. 146 530 378

**HALF YEAR FINANCIAL REPORT**

**31 December 2014**

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**Directors & Officers**

Mr Paul Kopejtka - Executive Chairman  
Mr Andrew Caruso - Executive Director  
Mr Francis DeSouza - Non Executive Director  
Mr James McClements - Non Executive Director  
Mr Shahb Richyal - Non Executive Director  
Mr Nathan Featherby - Non Executive Director

Mr Christopher Foley - Company Secretary

**Registered Office**

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**Securities Exchange**

Australian Securities Exchange (ASX)  
Home Exchange - Perth  
ASX Code - AZQ (ordinary shares)

**Domicile and Country of Incorporation**

Australia

**Bankers**

National Australia Bank  
1232 Hay Street  
West Perth WA 6005  
Website: [www.nab.com.au](http://www.nab.com.au)

**Auditors**

Pitcher Partners Corporate & Audit (WA) Pty Ltd  
Level 1, 914 Hay Street  
Perth WA 6000  
Website: [www.pitcher.com.au](http://www.pitcher.com.au)

**Share Registry**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Website: [www.securitytransfers.com.au](http://www.securitytransfers.com.au)

The Directors present their report of Ascot Resources Limited ('Ascot' or the 'Company') for the half year ended 31 December 2014 (the 'Period').

## 1. DIRECTORS

The names of the Company's Directors in office during the Period and until the date of this report are set out below. Directors were in office for the entire Period unless otherwise stated.

Paul Kopejtka	<i>Executive Chairman</i>
Andrew Caruso	<i>Executive Director</i>
Francis DeSouza	<i>Non - Executive Director (Executive director 1 October 2014 to 31 December 2014)</i>
James McClements	<i>Non - Executive Director (appointed 13 October 2014)</i>
Shahb Richyal	<i>Non - Executive Director (appointed 13 October 2014)</i>
Nathan Featherby	<i>Non - Executive Director (appointed 13 October 2014)</i>

## 2. PRINCIPAL ACTIVITIES

The Company's principal activities during the Period were iron ore and coal exploration and development, in Australia and Colombia.

## 3. REVIEW OF OPERATIONS

### Wonmunna Iron Ore Project

Ascot completed the acquisition of the Wonmunna Iron Ore Project from Ochre Group Holdings Ltd (Ochre) on 22 September 2014. In conjunction with completion of the Wonmunna acquisition, Ascot's existing cornerstone investor, Resource Capital Fund V L.P. (RCF), and global commodities trader, Gunvor Group (Gunvor), each subscribed for c.A\$5 million in new shares.

Post-acquisition, Ascot progressed key project approvals and technical work with the objective of positioning Wonmunna for future financing and development. Of note:

- The Department of Mining and Petroleum (DMP) granted Ascot's Native Vegetation Clearing Permit during October 2014, representing an important step towards obtaining necessary environmental approvals for the Project.
- The Company finalised its geotechnical drilling program, enabling the finalisation of mine designs and Ascot's Mining Proposal. This was submitted to the DMP on 19 November 2014 with an annexed Mine Closure Plan. Approval of the Mining Proposal is anticipated in March 2015.
- Ascot has also progressed with Native Title and Heritage requirements after extensive consultation with claimant groups. Following completion of a heritage survey for the planned project footprint in September 2014 with specialist consultants, Ascot held meetings with representatives from the Ngarlawangga and Niyiyaparli #3 claimant groups during the quarter. Agreement was reached on the submission of a Section 18 Notice to the DAA, which was lodged in December 2014. The Native Title Mining Agreement with the Niyiyaparli #3 group was also finalised, and executed by parties in December 2014.
- Ascot's project team has also completed a tender process for major mining and crushing contracts for the Project.

### Titiribi Coal Project

During the period Ascot continued to progress its submissions for underground mining environmental (PTA) approvals to Colombia's National Mining Agency (ANM).

Ascot maintains a small presence in Colombia to advance its interests and to retain optionality in the event of an improvement in coal markets in future.

### Urabá Coal Project

Ascot has discontinued discussions with the vendors of the Urabá Coal Project as the parties could not reach agreement on terms for the acquisition of the project.

### Corporate Fundraising

As part of the Wonmunna Transaction, Ascot successfully completed an A\$11.2 million equity capital raising to existing and new sophisticated investors at a price of A\$0.25 per share. As part of the raising, Ascot's existing cornerstone investor, Resource Capital Fund V L.P. (RCF), and global commodities trader, Gunvor Group (Gunvor), each subscribed for c.A\$5 million in new shares.

### Directors

Messrs James McClements, Shahb Richyal and Nathan Featherby were appointed as Non-Executive Directors of Ascot on 13 October 2014. Mr Francis De Souza ceased as an Executive Director on 31 December 2014 but will continue as a Non-Executive Director.

### Tenements

At the date of signing the Directors report the Company held the following beneficial interest in tenements:

TENEMENT No.	STATUS	PROJECT	BENEFICIAL HOLDER
HJBN-04	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
Refer footnote below	Granted	Antioquia, Colombia	CDI
Refer footnote below	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
L47/727	Granted	Pilbara, WA	Wonmunna Iron Ore Pty Ltd

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

#### 4. FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2014 are:

	31-Dec-14	30-Jun-14
Cash and cash equivalents (\$)	5,913,139	2,013,066
Net assets (\$)	24,364,082	2,331,526
	31-Dec-14	31-Dec-13
Revenue (\$)	120,473	18,146
Net loss after tax (\$)	(5,269,285)	(1,548,323)
Dividend (\$)	-	-

#### 5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Acquisition of the Wonmunna Iron Ore Project was completed on 22 September 2014.

#### 6. SIGNIFICANT EVENTS AFTER BALANCE DATE

##### Kopejtka Convertible Note

During July 2013, the Company entered into a loan note agreement with an entity associated with Mr Paul Kopejtka, for the issue of a 1-year unsecured loan note ('the Kopejtka Note') raising A\$650,000. The note has been repaid in full on 2 February 2015. At 31 December 2014, interest of \$22,937 was accrued for the December 2014 quarter and shares in lieu of interest were issued 9 January 2015.

#### 7. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the Directors.



Andrew Caruso  
 Executive Director  
 9 March 2015

## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of Ascot Resources Limited and its controlled entities.

In relation to the independent review for the half year ended 31 December 2014, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of Ascot Resources Limited and the entities it controlled during the year.

*Pitcher Partners Corporate & Audit (WA) Pty Ltd*

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



Paul Mulligan  
Executive Director  
Perth, WA  
9 March 2015

	Notes	31-Dec-14	31-Dec-13
		\$	\$
<b>Continuing operations</b>			
Revenue		120,473	18,146
Directors fees and other benefits		(18,000)	(217,384)
Share-based payments		(4,075,502)	(149,232)
Professional & Consulting Fees		(125,356)	(324,267)
Employment expense		(597,557)	(359,542)
Management Fees		-	(7,572)
Other expenses	4	(573,343)	(508,472)
<b>Loss before income tax</b>		<b>(5,269,285)</b>	<b>(1,548,323)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(5,269,285)</b>	<b>(1,548,323)</b>
 <i>Loss for the period attributable to:</i>			
Members of the parent entity		(5,269,285)	(1,548,323)
<b>Total loss from continuing operations</b>		<b>(5,269,285)</b>	<b>(1,548,323)</b>
 <i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translating foreign operations		(16,973)	(321)
<b>Total other comprehensive loss for the period</b>		<b>(5,286,258)</b>	<b>(1,548,644)</b>
 <i>Total comprehensive loss for the period attributable to:</i>			
Members of the parent entity		(5,286,258)	(1,548,644)
		<b>(5,286,258)</b>	<b>(1,548,644)</b>
 <b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
		<u>Cents</u>	<u>Cents</u>
Basic loss per share – cents per share		(5.9)	(7.8)
Diluted loss per share – cents per share		(5.9)	(7.8)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



	Notes	31-Dec-14 \$	30-Jun-14 \$
<b>Current Assets</b>			
Cash & cash equivalents		5,913,139	2,013,066
Trade & other receivables		83,153	14,916
Other assets		47,534	64,778
<b>Total Current Assets</b>		<b>6,043,826</b>	<b>2,092,760</b>
<b>Non-Current Assets</b>			
Plant & equipment		53,064	56,790
Exploration & evaluation expenditure	5	36,105,652	5,317,387
<b>Total Non-Current Assets</b>		<b>36,158,716</b>	<b>5,374,177</b>
<b>TOTAL ASSETS</b>		<b>42,202,542</b>	<b>7,466,937</b>
<b>Current Liabilities</b>			
Trade & other payables		1,004,143	2,325,551
Interest bearing loans & borrowings	6	2,764,619	2,266,909
<b>Total Current Liabilities</b>		<b>3,768,762</b>	<b>4,592,460</b>
<b>Non-Current Liabilities</b>			
Provisions		46,073	49,758
Deferred Consideration	7	14,023,625	-
Interest bearing loans & borrowings	6	-	493,193
<b>Total Non-Current Liabilities</b>		<b>14,069,698</b>	<b>542,951</b>
<b>TOTAL LIABILITIES</b>		<b>17,838,460</b>	<b>5,135,411</b>
<b>NET ASSETS</b>		<b>24,364,082</b>	<b>2,331,526</b>
<b>Equity attributable to the equity holders of the Company</b>			
Contributed equity	8	31,802,785	8,366,925
Reserves		5,441,856	1,575,875
Accumulated losses		(12,905,812)	(7,636,527)
Non-controlling interest		25,253	25,253
<b>TOTAL EQUITY</b>		<b>24,364,082</b>	<b>2,331,526</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Issued Capital	Share- based Payment Reserve	FX Translation Reserve	Accumulated Losses	Non- controlling interest	Total Equity
	\$	\$	\$	\$		\$
At 1 July 2014	8,366,925	1,570,500	5,375	(7,636,527)	25,253	2,331,526
<b>Comprehensive income:</b>						
Loss for the year	-	-	-	(5,269,285)	-	(5,269,285)
Other comprehensive income/(loss) for the year	-	-	(16,973)	-	-	(16,973)
Total comprehensive loss for the year	-	-	(16,973)	(5,269,285)	-	(5,286,258)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of share capital	23,435,860	-	-	-	-	23,435,860
Share-based payments	-	3,882,954	-	-	-	3,882,954
Non-controlling interest	-	-	-	-	-	-
At 31 December 2014	31,802,785	5,453,454	(11,598)	(12,905,812)	25,253	24,364,082

	Issued Capital	Share- based Payment Reserve	FX Translation Reserve	Accumulated Losses	Non- controlling interest	Total Equity
	\$	\$	\$	\$		\$
At 1 July 2013	4,799,774	587,208	(4,496)	(3,389,636)	25,253	2,018,103
<b>Comprehensive income:</b>						
Loss for the year	-	-	-	(1,548,323)	-	(1,548,323)
Other comprehensive income/(loss) for the year	-	-	(321)	-	-	(321)
Total comprehensive loss for the period	-	-	(321)	(1,548,323)	-	(1,548,644)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of share capital	906,927	-	-	-	-	906,927
Share-based payments	-	149,232	-	-	-	149,232
Non-controlling interest	-	-	-	-	104	104
At 31 December 2013	5,706,701	736,440	(4,817)	(4,937,959)	25,357	1,525,722

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	31-Dec-14	31-Dec-13
	\$	\$
<b>Cash flows used in operating activities</b>		
Receipts from customers	10,211	24,181
Payment to suppliers & employees	(3,199,151)	(1,922,560)
Interest received	28,111	7,726
Interest paid	(23,310)	(41,897)
<b>Net cash flows used in operating activities</b>	<b>(3,184,139)</b>	<b>(1,932,550)</b>
<b>Cash flows used in investing activities</b>		
Payment for plant & equipment	(5,607)	-
Payment for exploration & evaluation expenditure	(3,446,634)	(871,559)
<b>Net cash flows used in investing activities</b>	<b>(3,452,241)</b>	<b>(871,559)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	10,536,453	782,270
Proceeds from issue of convertible note	-	1,557,033
<b>Net cash flows from financing activities</b>	<b>10,536,453</b>	<b>2,339,303</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,900,073</b>	<b>(464,806)</b>
Cash and cash equivalents at beginning of period	2,013,066	890,934
<b>Cash and cash equivalents at end of period</b>	<b>5,913,139</b>	<b>426,128</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## 1. CORPORATE INFORMATION

The financial report of Ascot Resources Limited (referred to as 'Ascot' or the 'Company') and its controlled entities (together referred to as the 'Group') is a half year report for the period from 1 July 2014 to 31 December 2014 (the 'Period').

For details on the Group's principal activities refer to the Directors Report on pages 4 to 6.

The address of the registered office of the Company is 512 Hay Street Subiaco WA 6008.

The financial report of Ascot Resources Limited for the Period was authorised for issue in accordance with a resolution of the Directors on 9 March 2015.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

### Basis of compliance

This general purpose condensed consolidated financial report of the Company for the Period has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standard IAS 34 *Interim Financial Reporting*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual financial statements for the year ended 30 June 2014 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

### (a) Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of this financial report for the Period under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2014.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting Period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

**(b) Going Concern**

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern bases of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis, and, if so, the basis used is disclosed.

The Statement of Comprehensive Income shows the Company incurred a net loss of \$5,269,285 during the period ended 31 December 2014. The Statement of Financial Position as at 31 December 2014 shows that the Company had cash and cash equivalents of \$5,913,139 and net assets of \$24,364,082.

**(c) Accounting standards issued but not yet effective**

The AASB has issued new standards, amendments and interpretations to existing standards which have been published but are not yet effective, and have not yet been adopted early by the Company. The new standards, amendments and interpretations that may be relevant to the Company's financial statements are provided below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets	1 January 2017
AASB 15 Revenue from Contracts with Customers AASB 15: <ul style="list-style-type: none"> <li>- establishes a new revenue recognition model</li> <li>- changes the basis for deciding whether revenue is to be recognised over time or at a point in time</li> <li>- provides new and more detailed guidance on specific topics</li> <li>- expands and improves disclosures about revenue.</li> </ul>	1 January 2017

**3. OPERATING SEGMENTS**

The AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker.

The Company engages in the business of iron ore and coal exploration and evaluation in Australia and Colombia respectively and management identifies its operating segments based on geographical location. The Company's two operating segments are:

1. Colombia – Prospective coal permits; and
2. Australia – Prospective iron ore permits

During the six (6) month period to 31 December 2014 the Company purchased Wonmunna Iron Ore permits and now operates in two segments compared to the single segment of operation at 30 June 2014.

The revenues and loss generated by each of the Company's operating segments and segment assets are summarised as follows:

Six (6) months to 31 December 2014	Colombia	Australia	Total
	\$	\$	\$
Revenue	-	120,473	120,473
Segment operating loss	-	(5,269,285)	(5,269,285)
Segment Assets	4,319,996	37,882,546	42,202,542

The Company's segment operating profit reconciles to the Company's profit before tax as presented in its financial statements as follows:

	31-Dec-14	31-Dec-13
Revenue	120,473	18,146
Directors fees and other benefits	(18,000)	(217,384)
Share-based payments	(4,075,502)	(149,232)
Professional & Consulting Fees	(125,356)	(324,267)
Employment expense	(597,557)	(359,542)
Management Fees	-	(7,572)
Other expenses	(573,343)	(508,472)
<b>Total operating profit</b>	<b>(5,269,285)</b>	<b>(1,548,323)</b>

#### 4. OTHER EXPENSES

	31-Dec-14	31-Dec-13
	\$	\$
<b>Expenses</b>		
Depreciation expenses	8,305	4,031
Administration costs	186,512	129,693
Travel expenses	6,381	95,076
Compliance and regulatory expenses	156,595	36,858
Financing expenses	-	96,945
Exchange loss/(gain)	14,109	(16,341)
Interest	201,441	162,210
<b>Total expenses</b>	<b>573,343</b>	<b>508,472</b>

**5. EXPLORATION & EVALUATION EXPENDITURE**

	31-Dec-14	30-Jun-14
	\$	\$
Carrying amount of exploration & evaluation expenditure	36,105,652	5,317,387

	31-Dec-14	30-Jun-14
	\$	\$
<b>Movement during the year</b>		
<b>Balance at the beginning of the year</b>	5,317,387	4,247,515
Exploration and evaluation on acquisition of Wonmunna	28,523,625	-
Additions	2,264,640	1,116,705
Impairment	-	(46,833)
<b>Carrying amount at the end of the year</b>	36,105,652	5,317,387

**6. INTEREST BEARING LOANS & BORROWINGS**

**Current**

	31-Dec-14	30-Jun-14
	\$	\$
Kopejtka Convertible Note	648,176	647,729
Sedgman Convertible Note	496,848	-
RCF Convertible Notes	1,619,595	1,619,180
	2,764,619	2,266,909

**Non-Current**

	31-Dec-14	30-Jun-14
	\$	\$
Sedgman Convertible Note	-	493,193
	-	493,193

**7. DEFERRED CONSIDERATION**

	31-Dec-14	30-Jun-14
	\$	\$
Deferred Consideration	13,705,453	-
Accrued Interest	318,172	-
<b>Total</b>	14,023,625	-

Deferred consideration forms part of the Wonmunna iron ore project acquisition with Ochre Group Holdings. Under a Sale and Purchase Agreement signed 3 July 2014 Ascot Resources owes Ochre Group Holdings an amount of \$19.95m payable 5 years from the first shipment of ore. Interest is accrued on a semi-annual basis

at 5.88% (capitalised till the earlier of 24 months post the completion of the agreement or first shipment of ore). Deferred Consideration is revalued each reporting period using net present value method.

**8. CONTRIBUTED EQUITY**

	31-Dec-14		30-Jun-14	
	\$	No.	\$	No.
Fully paid ordinary shares	31,802,785	132,787,384	8,366,925	38,763,603



**Movement in ordinary shares on issue**

<i>Movement in ordinary shares on issue</i>	\$	No.	Issue price per ordinary share
<b>Balance at 30 June 2013</b>	<b>4,799,774</b>	<b>33,613,456</b>	
Shares issued to Sedgman Ltd (a)	500,000	5,000,000	\$0.10
Shares issued to Sedgman Ltd (b)	22,498	376,538	\$0.06
Shares issued to Resource Capital Funds (c)	45,317	646,461	\$0.07
Shares issued to Sedgman Ltd (c)	7,268	103,674	\$0.07
Shares issued via share placement (d)	282,270	6,272,670	\$0.05
Shares issued to Pursuit Capital (e)	52,097	947,215	\$0.06
Shares issued to Resource Capital Funds (f)	25,000	507,037	\$0.05
Equity Portion of RCF Convertible Notes	297	-	-
Equity Portion of Kopejtka Convertible Note	10,013	-	-
Equity Portion of Sedgman Convertible Note	14,264	-	-
Share Issue Costs	(52,097)	-	-
Shares issued to Resource Capital Funds (g)	45,199	742,184	\$0.06
Shares issued to Sedgman Ltd (g)	17,644	289,874	\$0.06
Executive incentives issued to Ascot Equities (h)	741,000	9,500,000	\$0.08
Executive incentives issued to Andrew Caruso (i)	192,548	1,500,000	\$0.13
Shares issued to Serviminco (j)	20,461	262,326	\$0.08
Shares issued to Resource Capital Funds (k)	825,000	10,853,568	\$0.08
Shares issued to Resource Capital Funds (l)	55,923	621,201	\$0.09
Shares issued to Sedgman Ltd (l)	17,260	191,729	\$0.09
Shares issued to Kopejtka (l)	22,439	249,247	\$0.09
Shares issued to employee (m)	22,750	250,000	\$0.09
<b>Total at 2 June 2014</b>	<b>7,666,925</b>	<b>71,927,180</b>	
<b>2 for 1 share consolidation</b>	<b>7,666,925</b>	<b>35,963,603</b>	
Shares issued via share placement (n)	500,000	2,000,000	\$0.25
Shares issued via share placement(n)	200,000	800,000	\$0.25
<b>Balance at 30 June 2014</b>	<b>8,366,925</b>	<b>38,763,603</b>	
RCF May 13 Loan Note Interest - Qtr end 30 Jun 14 (o)	42,589	217,960	\$0.20
RCF Dec 13 Loan Note Interest - Qtr end 30 Jun 14 (o)	13,964	71,463	\$0.20
SDM Loan Note Interest - Qtr ended 30 Jun 14 (o)	17,455	89,328	\$0.20
Andrew Caruso - Executive Incentives (p)	192,535	750,000	\$0.26
Shares issued via share placement (n)	355,000	1,420,000	\$0.25
Shares issued via share placement (n)	250,000	1,000,000	\$0.25
Issue to Ochre Group Holdings (q)	12,500,000	50,000,000	\$0.25
Issue to RCF (r)	4,700,809	18,803,235	\$0.25
Issue to Gunvor (r)	4,906,453	19,625,811	\$0.25
Shares issued via share placement (t)	34,159	184,626	\$0.19
Kopejtka Loan Note Interest - Qtr end 30 Sept 14 (s)	22,937	120,912	\$0.19

RCF May 13 Loan Note Interest - Qtr end 30 Sept 14 (s)	14,115	74,408	\$0.19
SDM Loan Note Interest - Qtr ended 30 Sept 14 (s)	17,644	93,010	\$0.19
Shares issued via share placement (n)	25,000	100,000	\$0.25
RCF may 13 loan note interest Sept Qtr (s)	44,009	276,263	\$0.16
Tranche 2 shares (u)	299,191	1,196,765	\$0.25
<b>Balance at 31 December 2014</b>	<b>31,802,785</b>	<b>132,787,384</b>	

- (a) Issued under the terms of the Loan Note Agreement between the Company and Sedgman Limited ('Sedgman') in relation to the share placement component of Sedgman's investment in the Company.
- (b) Issued under the terms of the Loan Note Agreement between the Company and Sedgman in lieu of an establishment fee.
- (c) Issued under the terms of the Loan Note Agreements between the Company and Resource Capital Fund. V L.P. ('RCF') and Sedgman as payment of interest for the quarter ending 30 September 2013. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
- (d) Issued to sophisticated and professional investors in relation to the share placement completed on 13 November 2013.
- (e) Issued as part consideration payable to Pursuit Capital Pty Ltd for acting as lead manager in the share placement completed on 13 November 2013.
- (f) Issued under the terms of the second Loan Note Agreement between the Company and RCF as payment of the Loan Note establishment fee. The number of shares issued was calculated by reference to the \$25,000 establishment fee and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the Financing Term Sheet was entered into, at a 5% discount.
- (g) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 31 December 2013. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
- (h) Issued to Ascot Equities on successful completion of milestone 1 under the executive incentive scheme.
- (i) Issued to Andrew Caruso on successful completion of milestone 1 under the executive incentive scheme.
- (j) Issued to Servminco pursuant to the terms of a consultancy agreement
- (k) Issued under the terms of the Loan Note Agreement between the Company and RCF in relation to the share placement component of RCF's investment in the Company.
- (l) Issued under the terms of the Loan Note Agreements between the Company and RCF, Sedgman and Kopejtko as payment of interest for the quarter ending 31 March 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
- (m) Issued to employee as a performance bonus.
- (n) Issued to sophisticated and professional investors in relation to the share placement completed on 20 June 2014
- (o) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 30 June 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
- (p) Issued to Andrew Caruso under his employment agreement
- (q) Issued under Wonmunna Iron Ore Project Purchase agreement
- (r) Issued to RCF and Gunvor under the terms of Share Subscription Agreements.
- (s) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 30 September 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share

sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.

- (t) Issued to consultant as payment of invoice
- (u) Tranche 2 shares issued to RCF under Share Subscription Agreement following shareholder approval at Annual General Meeting held on 27 November 2014.

## 9. RELATED PARTY DISCLOSURES

### (i) Material contracts with related parties

#### Kopejtka Convertible Note

During July 2013, the Company entered into a loan note agreement with an entity associated with Mr Paul Kopejtka, for the issue of a 1-year unsecured loan note ('the Kopejtka Note') raising A\$650,000. The note was repaid in full on 2 February 2015. At 31 December 2014, interest of \$22,937 was accrued for the December 2014 quarter and shares in lieu of interest were issued 9 January 2015.

## 10. DIVIDENDS

No dividend has been paid during the Period and no dividend is recommended for the Period.

## 11. CONTINGENCIES

There are no new contingencies, other than what existed as at 30 June 2014 that the Company has entered into during the Period under review.

## 12. COMMITMENTS

### Leasing Agreements

	31-Dec-14	30-Jun-14
	\$	\$
Within one year	61,637	123,273
After one year but not more than five years	-	-
After more than five years	-	-
<b>Total minimum commitment</b>	<b>61,637</b>	<b>123,273</b>

### Exploration & Evaluation Commitments

	31-Dec-14	30-Jun-14
	\$	\$
Within one year	339,107	17,320
After one year but not more than five years	1,085,200	-
After more than five years	3,526,900	-
<b>Total minimum commitment</b>	<b>4,951,207</b>	<b>17,320</b>

The commitments above are discretionary and subject to mining expenditure, they relate to the exploration tenements that the Company has interests in as at 31 December 2014.

### **13. SIGNIFICANT EVENTS AFTER BALANCE DATE**

During July 2013, the Company entered into a loan note agreement with an entity associated with Mr Paul Kopejtka, for the issue of a 1-year unsecured loan note ('the Kopejtka Note') raising A\$650,000. The note has been repaid in full on 2 February 2015. At 31 December 2014, interest of \$22,937 was accrued for the December 2014 quarter and shares in lieu of interest were issued 9 January 2015.

In the Directors' opinion:

- (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half year ended 31 December 2014; and
  - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board of Directors.

A handwritten signature in blue ink, appearing to read "A L", with a horizontal line extending from the end of the "L".

Andrew Caruso  
Executive Director  
9 March 2015

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASCOT RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Ascot Resources Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ascot Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ASCOT RESOURCES LIMITED**

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ascot Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



Paul Mulligan  
Executive Director  
Perth, WA  
9 March 2015