

## QUARTERLY ACTIVITIES REPORT AS AT 30 JUNE 2014

### ASX Code: AZQ

#### Securities on Issue

41.3M 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  
(Managing Director)

Francis De Souza  
(Non-Executive Director)

#### Contact details

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### FOURTH QUARTER – HIGHLIGHTS

#### TITIRIBI COAL PROJECT

- Ascot continues to progress project development through finalising submissions for mining (PTO) and environmental (PMA) approvals, and preparing future geotechnical, in-fill and sterilisation drilling plans.

#### BUSINESS DEVELOPMENT

- Ascot completed, to its satisfaction, due diligence of the Wonmunna Project.
- After quarter end, Ascot and Ochre mutually agreed to revised acquisition terms for the Wonmunna Project.

#### CORPORATE

- Completion of 1-for-2 share consolidation as part of acquisition of the Wonmunna Project.
- Completion of placement of 2.8 million shares at \$0.25 per share to sophisticated investors in relation to the capital raising component of the acquisition of the Wonmunna Project.

#### FINANCIAL

- At 30 June 2014 the Company had cash reserves of \$0.63 million.
- At 30 June 2014 the Company had a market capitalisation of \$8.1 million (based on a share price of \$0.21).

## ACQUISITION OF THE WONMUNNA IRON ORE PROJECT

In March, Ascot entered into an agreement to acquire the Wonmunna Iron Ore Project (**Wonmunna Project**) from Ochre Group Holdings Limited (**Ochre**) (ASX: OGH) (**the Transaction**).

Wonmunna is located in the iron ore-rich Pilbara region, 80km northwest of Newman and 365km south of Port Hedland, and is intersected by the Great Northern Highway (refer Figure 2 below). The Wonmunna Project comprises exploration licence E47/1137 and mining leases M47/1423, M47/1424 and M47/1425 (refer to Figure 1 below).

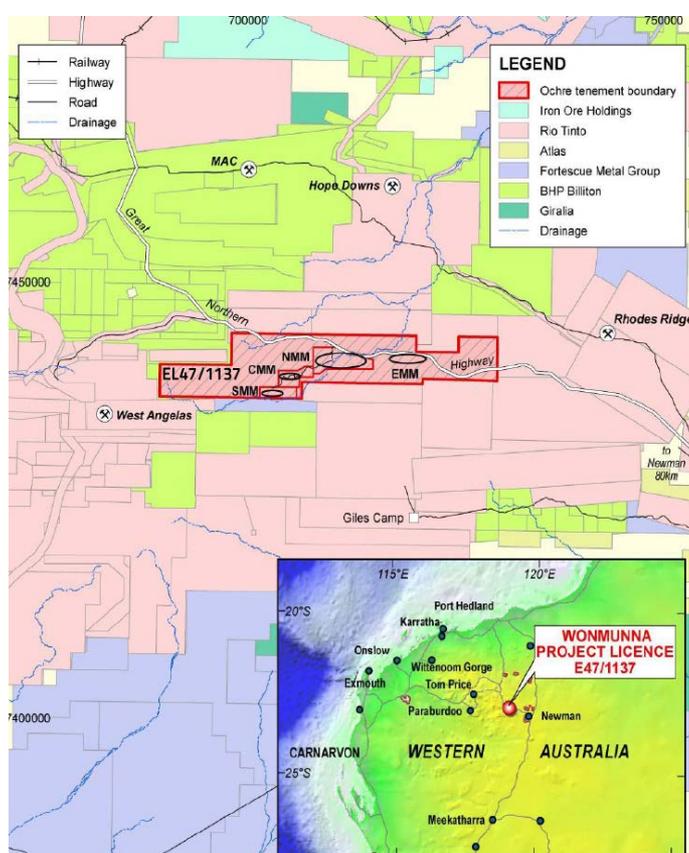


Figure 1: Wonmunna location and mining lease boundaries

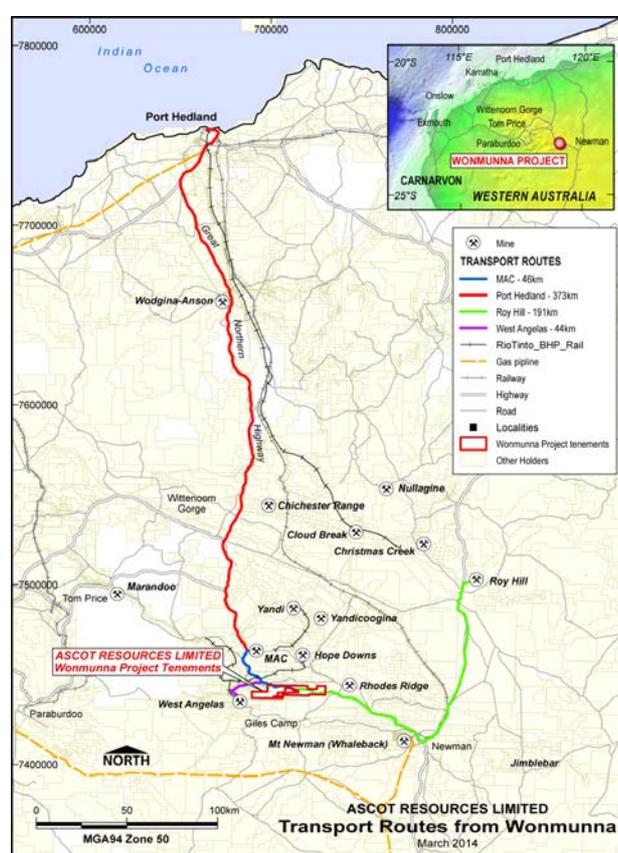


Figure 2: Wonmunna location relative to Port Hedland & other iron ore operations

During the quarter, Ascot undertook and completed, to its satisfaction, a final due diligence review of the Wonmunna Project. Shareholders of both Ochre and Ascot subsequently approved the transaction at meetings held on 22 and 23 May, respectively.

On 3 July 2014, Ascot announced that it and Ochre had mutually agreed to revise the transaction terms such that the consideration payable by Ascot to Ochre in respect of the Transaction was reduced to the following:

- 50 million fully-paid ordinary Ascot shares, to be issued on completion;
- A cash consideration payment of \$2 million, payable on completion;
- a further \$19.95 million payable within 5 years from the date that is five years from first sale of

product; and

- a 1% gross revenue royalty commencing 12 months after first sale of product.

In addition, Ascot will assume Ochre's obligation to Talisman Mining Limited to pay a 1% gross revenue royalty beginning from first shipment.

The revised agreement is subject to the following conditions precedent being satisfied by 10 September 2014:

- Approval by Ascot shareholders (if required);
- Approval by Ochre shareholders for the purpose of Listing Rule 11.2; and
- Ascot raising a minimum of \$5 million in new equity at an issue price of at least \$0.25 per share.

In addition to the proposed \$5 million capital raising, Ascot's largest shareholder Resource Capital Fund V L.P., has agreed to subscribe for 20 million new shares in Ascot at A\$0.25 per share, raising an additional A\$5 million, subject to agreeing formal documentation satisfactory to RCF and completion of the Transaction.

## TITIRIBI COAL PROJECT

During the quarter Ascot has continued to advance its development plans for the Titiribi coal project by i) finalising submissions for mining (PMO) and environmental (PTA) approvals to Colombia's National Mining Agency (ANM), and ii) continuing to formulate its in-fill, geotechnical and sterilisation drilling plans.

The Company also implemented corporate initiatives in Colombia to reduce overheads and general working capital costs while still maintaining an active in-country presence to advance project development objectives.

## URABÁ COAL PROJECT

Ascot continued to progress and finalise its due diligence enquiries during the fourth quarter.

Ascot has continued to engage with the proposed joint venture partner and current concession holder in regards to finalising the proposed acquisition.

## MCPHEES GOLD PROJECT

In June 2014, as part of the Company's ongoing strategic review of non-core assets, Ascot divested its 100% interest in the McPhees Gold Project for a total consideration of A\$15,000.

## MINING TENEMENTS

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

## CORPORATE

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### Share Consolidation and Capital Raising

As part of the Wonmunna Transaction, Ascot completed i) a consolidation of its existing capital on a 1-for-2 basis, and ii) received commitments from investors, and issued new shares in respect of those commitments, totalling A\$1.08 million – this translated into the issue of 2.8 million new shares at a price of A\$0.25 per share.

### Events Subsequent to Quarter End

On 11 July, Ascot reached an agreement to amend the Loan Note Agreement entered into with an entity associated with the Company's Executive Chairman, Mr. Paul Kopejtka, extending the maturity date by 3 months from 17 July 2014 to 17 October 2014.

## FINANCIAL

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At 30 June 2014 the Company had cash reserves of \$0.63 million.

**About Ascot Resources Limited**

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

Its major asset is its 90% JV interest in the Titiribi Coal Project located in the Department of Antioquia, Colombia. With the Project site being located only 70km from State Capital Medellin, it is close to existing utilities and infrastructure. It is Ascot's intention to grow the Colombian business via asset acquisition and it will be continually assessing opportunities within Colombia.

The proposed acquisition of the Wonmunna Iron Ore Project provides an opportunity for Ascot to diversify its portfolio of assets which have the potential to deliver 'near-term;' production outcomes. For more information, visit [www.ascotresources.com](http://www.ascotresources.com) or contact:

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## 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 June 2014 and their location

Tenement/ Concession No.	Status	Location	Registered Holder
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
Refer footnote below	Granted	Antioquia, Colombia	CDI
Refer footnote below	Granted	Antioquia, Colombia	CDI

#### Footnote:

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

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

During the quarter, Ascot entered into an agreement to dispose 100% of its interest in the McPhees Gold Project – exploration licence E45/3648 and prospecting licence P45/2783 – located in the Pilbara region of Western Australia. Completion of the disposition took place on 16 June 2014.

No tenements were acquired during the quarter.

### Beneficial percentage interests held in farm-in or farm-out agreements as at 30 June 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')

**30/06/2014**

Statement of Cash Flows	Current quarter 30 June 2014	Year to date (12 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	15	15
1.2 Payments for		
(a) exploration and evaluation	(297)	(1,851)
(b) development	-	-
(c) production	-	-
(d) administration	(413)	(2,117)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	11
1.5 Interest and other costs of finance paid	(1)	(24)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(694)</b>	<b>(3,966)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net Investing Cash Flows</b>	<b>-</b>	<b>(1)</b>
1.13 Total operating and investing cash flows	<b>(664)</b>	<b>(3,967)</b>

<i>Statement of cash flows continued...</i>				
<b>Cash flows related to financing activities</b>				
1.14	Proceeds from issues of shares, options, etc.	700	1,695	
1.15	Proceeds from sale of forfeited shares	-	-	
1.16	Proceeds from borrowings	-	2,050	
1.17	Repayment of borrowings	-	-	
1.18	Dividends paid	-	-	
1.19	Other (Share issue costs on Non-Cash Director Shares issued)	-	-	
<b>Net Financing Cash Flows</b>		<b>700</b>	<b>3,745</b>	
<b>Net increase (decrease) in cash held</b>			<b>6</b>	<b>(254)</b>
1.20	Cash at beginning of quarter/year to date	628	891	
1.21	Exchange rate adjustments to item 1.20	(1)	(4)	
1.22	<b>Cash at end of quarter</b>	<b>633</b>	<b>633</b>	

**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	98
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 Directors Fees: \$18, Consultancy fees: \$80
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**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

None
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+ See chapter 19 for defined terms.

- 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

### 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	492
4.2	Development	
4.3	Production	
4.4	Administration	439
<b>Total</b>		<b>931</b>

The above cash flow forecast has been prepared based on the assumption that the Company will undertake a capital raising during Q1 FY15.

### 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	583	578
5.2	Deposits at call	50	50
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>633</b>	<b>628</b>

**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	E45/3648 and P45/2783	Gold exploration	100%	0%
6.2 Interests in mining tenements and petroleum acquired or increased				

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+ 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 <b>Preference +securities (description)</b>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities*</b>	38,763,603	38,763,603	-	-
7.4 Changes during quarter				
(a) Increases through issues	3,456,088	3,456,088	-	-
(b) Decreases through return of capital, buy-backs	-	-	-	-
7.5 <b>+Convertible debt securities</b>	4	Nil	\$2,770,000	-
7.6 Changes during quarter				
(a) Increases through issues	-	Nil	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> (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
7.8 Issued during quarter (performance rights)	50,000,000	-	Nil	Nil
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Cancelled during the quarter	-	-	-	-
7.12 <b>Debentures (totals only)</b>	-	-	-	-
7.13 <b>Unsecured notes (totals only)</b>	-	-	-	-

\*Note: On 2<sup>nd</sup> June 2014, Ascot Resources Ltd performed a 2 for 1 share consolidation. All numbers above are shown on a post-consolidation basis.

### 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: Managing Director

Date: 30 July 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.

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