

QUARTERLY ACTIVITIES REPORT AS AT 30 SEPTEMBER 2015

ASX Code: AZQ

Securities on Issue

139.4M Ordinary Shares
3.2M \$0.20 options expiring 11/2016
0.4M \$0.40 options expiring 02/2016
50.0M unlisted Executive Incentives
2.7M unlisted Employee Incentives

Directors

Paul Kopejtko
(Executive Chairman)

Andrew Caruso
(Executive Director)

Francis De Souza
(Non-Executive Director)

Shahb Richyal
(Non-Executive Director)

James McClements
(Non-Executive Director) Resigned
21st September 2015

Nathan Featherby
(Non-Executive Director)

Michael Young
(Non-Executive Director)

Chris Corbett
(Non-Executive Director) Appointed
21st September 2015

Contact Details

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FIRST QUARTER FY16 – HIGHLIGHTS

WONMUNNA IRON ORE PROJECT

- Subsequent to quarter end, on 6 October 2015 the Company announced¹ that in view of the uncertain state of the iron ore market currently and until the outlook stabilises and improves, further activity related to development of the Project will be limited to enhancing value and obtaining any further necessary approvals to underpin a potential future project financing.

CORPORATE

- Mr Chris Corbett appointed as RCF's representative on the Board as Non-Executive Director to replace Mr James McClements
- Repayment of Sedgman loan note
- Maturity Date of RCF Loan Note extended from 17 September 2015 to 30 June 2016
- Ascot to seek approval to delist from ASX
- Buyback facility for unmarketable parcels of shares

FINANCIAL

- At 30 September 2015 the Company had cash reserves of \$1.9 million and a market capitalisation of \$6.27 million (based on a share price of \$0.045).

¹ Refer ASX announcement 6 October 2015

PROJECT ACTIVITIES

WONMUNNA IRON ORE PROJECT

Ascot completed the acquisition of the Wonmunna Iron Ore Project (**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.

Since acquiring the Project, the Company's focus has been on developing a viable business case for the Project and completing activities that will best position it for financing and then into production.

During the quarter the Company continued discussions with third parties with respect to a viable sales solution to get iron ore produced from the Wonmunna project to market. .

The Company also completed a Reverse Circulation (RC) drilling program to test 3 potential targets on the east side of exploration licence 47/1137. The results show that one target has potential to host DSO mineralisation similar to that included within the current resource estimate. Further drilling is being considered to seek to better define the extent of the target.

Subsequent to quarter end, on 6 October 2015 the Company announced that:

- In view of the uncertain state of the iron ore market currently and for the foreseeable future, and volatile market conditions generally, the Board has decided that, until that outlook stabilises and improves, further activity related to development of the Project will be limited to:
 - enhancing the value of the Project including (but not limited to) by targeted exploration, resource drilling, and value improvement initiatives; and
 - obtaining any further necessary approvals to underpin a potential future project financing.
- It will continue to investigate opportunities for corporate or asset transactions that have potential to enhance the value of the Project or the Company generally.
- When market conditions improve, the Project will be in an advanced state and, subject to obtaining financing, able to be brought into production relatively quickly.

TITIRIBI COAL PROJECT

During the quarter Ascot commenced the preparation of an updated submission to be presented to the regulator to seek environmental (PMA) approvals to support any future underground mining.

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.

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

During the quarter:

- Cornerstone investor Resource Capital Fund V L.P. (RCF) nominated Mr Chris Corbett as its representative on the Board to replace Mr James McClements who resigned. Mr Corbett joined RCF in 2008 after extensive commercial and technical experience in the mining industry. Mr. Corbett has a B.Eng. (Mech, First Class Honours) and a Bachelor of Commerce from the University of Western Australia, Graduate Diploma in Mining from the Western Australian School of Mines and a Graduate Diploma in Applied Finance and Investment from FINSIA. Mr. Corbett also serves on the Board of Directors of portfolio company Wolf Minerals Ltd.
- Ascot reached agreement with RCF to extend the maturity date of a Loan Note Agreement made between RCF and Ascot in May 2013 from 17 September 2015 to 30 June 2016. In addition, should RCF elect to convert the subscription sum into ordinary fully paid shares of Ascot, the parties have agreed a conversion price of \$0.10 per share (reduced from \$0.36 per share under the original terms). The issue of shares to RCF on conversion of the amended note is subject to approval by Ascot shareholders.
- The Company repaid the full amount of \$500,000 due under a Loan Note Agreement between Ascot and Sedgman Ltd made in August 2013. The Company issued 173,762 fully paid ordinary shares to Sedgman in lieu of interest payable up to the date on which the principal was repaid.
- Ascot completed a review of its Corporate Governance Policies and an updated Corporate Governance Plan is available on the Company's website.
- The Company's 2015 Annual Report was released on 21 September 2015.

Subsequent to quarter end, the Company announced²:

- That, as a result of the reduction in Project activity (as outlined above), the Board believes that it is in the best interests of all of its shareholders for the Company to seek to be removed from the Official List of ASX. The Company is required to seek shareholder approval for removal from the Official List. Approval will be sought at the Company's Annual General Meeting of Shareholders which will be held on Friday 13 November 2015. A Notice of Meeting and an accompanying Explanatory Statement setting out the reasons for delisting in more detail has been sent to Shareholders.
- A buy-back facility in which it will offer to acquire the holdings of Shareholders who hold an unmarketable parcel of shares in the Company as at 5.00pm WST on 5 October 2015 (Record Date) for \$0.05 per share (Offer Price). An 'unmarketable parcel of shares' is any holding of less than \$500 in value of shares in Ascot (Unmarketable Parcel). The Company has sent a letter to all shareholders who hold an Unmarketable Parcel as at the Record Date.

The Company also issued a total of 696,618 fully paid ordinary shares after quarter end to RCF in lieu of interest payable on outstanding convertible loan notes held by RCF during the September quarter.

FINANCIAL

At 30 September 2015 the Company had cash reserves of \$1.9 million.

² Refer ASX announcement 6 October 2015

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 100% owned Wonmunna Iron Ore Project, a near term development 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 deposit features a high quality direct shipping iron ore which is hosted in the Marra Mamba formation, similar to the world class West Angelas mine, approximately 30km west of Wonmunna.

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. For more information, visit www.ascotresources.com or contact:

Paul Kopejtka

Ascot Resources Limited
Executive Chairman
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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 September 2015 and their location

Tenement/ Concession No.	Status	Location	Beneficial 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
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
L47/726	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.

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

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

Nil

Beneficial percentage interests held in farm-in or farm-out agreements as at 30 September 2015

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’)

30/09/2015

Statement of Cash Flows

	Current quarter 30 September 2015 \$A'000	Year to date (3 months) \$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*	(357)	(357)
(b) development	-	-
(c) production	-	-
(d) administration	(394)	(394)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(743)	(743)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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)	-	-
Net Investing Cash Flows	-	-
1.13 Total operating and investing cash flows	(743)	(743)

<i>Statement of cash flows continued...</i>		
Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-
1.15	Proceeds from sale of forfeited shares	-
1.16	Proceeds from borrowings	-
1.17	Repayment of borrowings	(500)
1.18	Dividends paid	-
1.19	Other (Share issue costs on Non-Cash Director Shares issued)	-
Net Financing Cash Flows		(500)
Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	3,154
1.21	Exchange rate adjustments to item 1.20	4
1.22	Cash at end of quarter	1,915

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	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

None

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

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	1,220	1,220
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter		\$A'000
4.1 Exploration and evaluation		(147)
4.2 Development		
4.3 Production		
4.4 Administration		(289)
Total		(436)

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	1,865	3,104
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)	1,915	3,154

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			

+ 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*	139,416,654		-	-
7.4 Changes during quarter				
(a) Increases through issues	1,827,877		-	-
(b) Decreases through return of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities	1	Nil	\$1,220,000	-
7.6 Changes during quarter				
(a) Increases through issues	-	Nil	-	-
(b) Decreases through securities matured, converted	1	-	\$500,000	-
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
Executive Incentives	50,000,000	-	Nil	Nil
Performance Rights	2,560,000	-	Nil	Nil
7.8 Issued during quarter	-	-	-	-
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 2015

Print name: Andrew Caruso
Executive Director

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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+ See chapter 19 for defined terms.