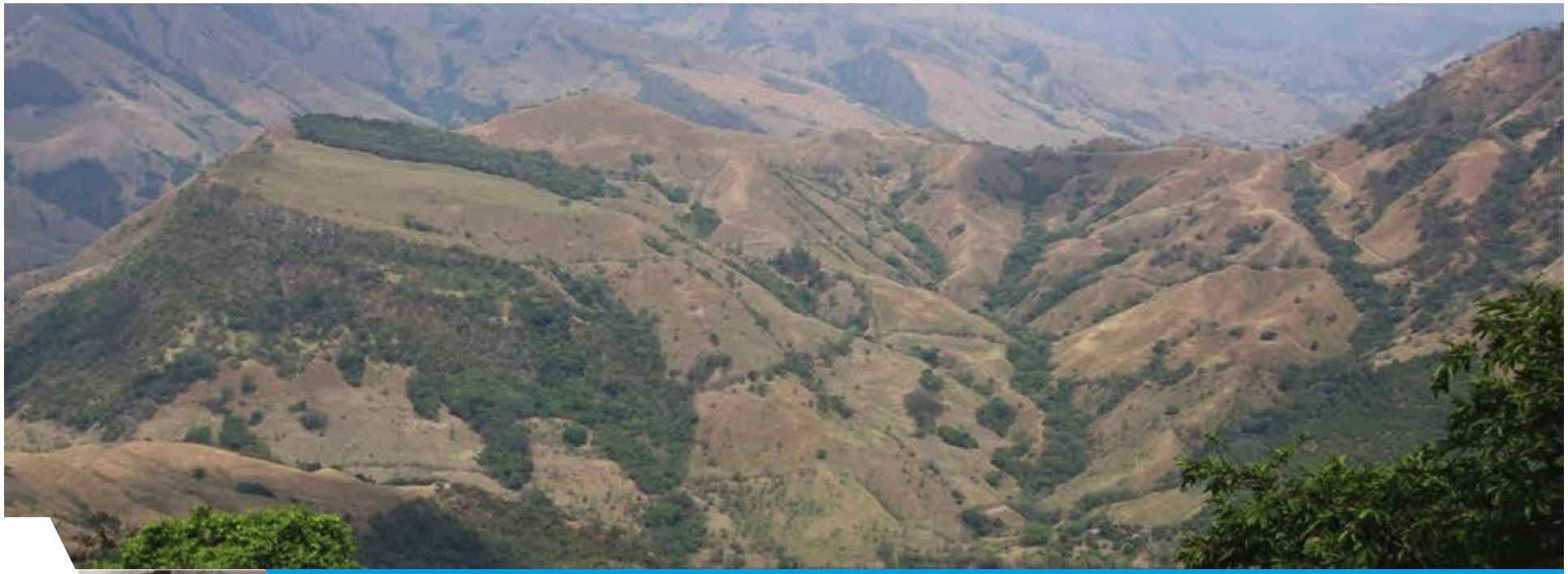

Ascot Resources Limited

Fast Tracked Coal Production

Corporate Presentation
September 2013

ASX: **AZQ**

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The information in this presentation that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Gardar Dahl, who is a Certified Professional Geologist and member of the American Institute of Professional Geologists, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Dahl is a Senior Associate with Behre Dolbear and Company (USA), Inc. Mr Dahl has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dahl consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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1. Introduction

Ascot - Poised for rapid growth

Mid-2013
Solid Foundations

PFS for initial start-up operation complete

- Low CAPEX
- Simple supply chain
- Resource upside potential

2 leading cornerstone investors

- RCF
- Sedgman Limited

Multi project potential

- Progressing 2nd project acquisition

Value investment

- Off-take rights serve as lever for potential development funding
- $2.6M market cap

Early-2015
Coal producer

Initial start-up 250ktpa coking coal mine in production

- Delivering high quality coal products

Additional cornerstone investors

Multi-project pipeline in place

- Expanded resource base
- Including new acquisitions

Investment Themes

Ascot is a growing coal exploration and development company with a metallurgical coal project in Colombia

Fast-tracked production

- Fast-track development of Titiribi Project, targeting production by early 2015
- Low CAPEX – no washing, simple open-pit mining, trucking directly to coal port
- Proven mine-to-market chain with ample capacity (productive mine within 20km)
- Granted mining licence, 10% JV partner owns land, accelerated approvals possible

Highly sought, export quality coking coal

- Coal exhibiting coking properties has been discovered in 3 concessions
- Preliminary coal quality results indicate med- to high-vol coking coal with relatively low ash and phosphorous, average sulphur values and average FSI 6.5

Experienced board and management with in-country presence

- Board/Management possess significant project & operational experience
- In-country technical team has proven mine development experience in Colombia
- Permanent in-country presence with pro-active relationship with key regulators

Near-term upside potential

- Potential for near-term project expansion via exploration of existing permits
- Many privately-held known coal deposits with little or no formal exploration
- Colombia is a major coal producer - established infrastructure and mining regime

Titiribi Project – Overview

- **Ascot holds a 90% interest in flagship Titiribi Project in Department of Antioquia**
  - Multiple seams of high quality coal identified by mapping, drilling and geophysics
- **Maiden JORC Resource estimate of 8.1Mt**
  - 5.2Mt Measured, 0.7Mt Indicated and 2.2Mt Inferred
- **Targeting metallurgical, high calorific value coal**
  - Preliminary quality analysis suggests medium- to high-volatile, semi-soft coking coal with CVs around 7,000kg/kcal
- **Project strategically located in close proximity to existing markets and established port infrastructure**
- **Fast-tracked development strategy**
  - Planned move into production by early 2015 with initial low-CAPEX operation of 250,000tpa
  - Pre-Feasibility Study confirms low operating and capital cost nature of Titiribi project
- **Strong upside potential from acquisition of surrounding concessions**

2. Titiribi – Project Development

Titiribi Project - Fast-Tracked Project Development

Focus on successfully commissioning the Titiribi coal mine by early 2015

PHASE 1 – Concept & Viability

Phase 1a (Jul-2013)

Pre-Feasibility Study

- Establish maiden JORC-compliant Resource
- Confirm product quality
- Economics for base cases

Phase 1b (Dec-2013)

Permitting & trade-off studies

- Land negotiations, permitting work & commercial tenders
- Trade-off studies to confirm business case for Feasibility study

Phase 2 (Mar-2014)

Feasibility Study

- Reserve, geotechnical drilling
- PTO & PMA submission
- Feasibility Study
- Seek advance

Phase 3 (Dec-2014)

Construction

- Commission plant and establish mining facilities to target maiden production by early 2015

Phase 4 (Early 2015+)

Production

- Titiribi project in production

Titiribi Project – JORC Resource

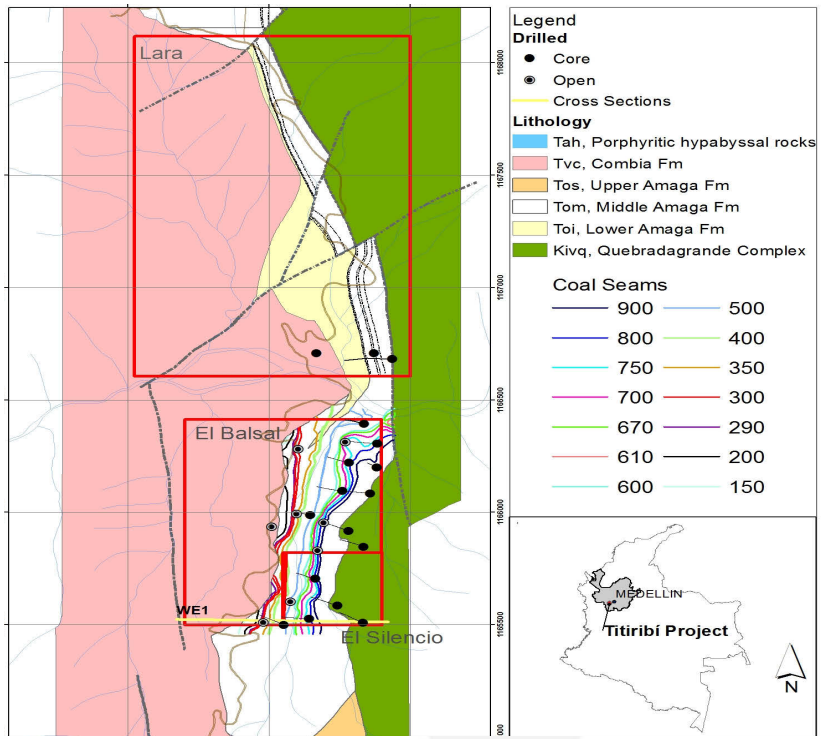
- A total of 24 holes were drilled comprising 17 HQ diamond drill holes (totalling 2,898m) and 7 open holes (totalling 896m) within the El Balsal, El Silencio and Lara concessions, together covering around 2.5km of seam strike length

- Drilling identified and correlated 14 coal seams in two concessions (El Balsal and El Silencio), with apparent thicknesses ranging from 0.3m to 5.1m, dipping at 55° east

- Maiden JORC resource estimate of 8.1Mt at Titiribi Project
  - Measured and Indicated Coal Resource estimates underpinned Pre-Feasibility Study

- Inferred tonnages have been estimated for the southern fault block in Lara to be 1.8Mt while projections to the north suggest potential coal mineralisation beyond current levels
  - Subsequent in-fill drilling program to be undertaken, with focus of upgrading classification in all three concessions and expanding Resource estimate within Lara

JORC resource category	El Silencio / El Balsal	Lara
Measured	5,200,000	0
Indicated	700,000	0
Inferred	400,000	1,800,000
TOTAL	**6,300,000**	**1,800,000**



Titiribi Project - Coal Quality Analysis

Preliminary quality analysis reviewed by Behre Dolbear indicates:

- Coal exhibiting coking properties discovered in all 3 concessions.
- Preliminary coal quality results suggest a medium- to high-vol coking coal with relatively low ash and phosphorous, average sulphur and Free Swelling Indices up to 8.5.
- Assay results show vitrinite levels up to 80% which, when correlated with calorific value, FSI, moisture and volatiles, indicate a bituminous coal rank. The vitrinite maceral group has lowest ash content and is responsible for coking properties.
- 10 samples taken from 5 drill holes intersecting seam 300 (represents 36% of resource by tonnage), were analysed by SGS North America for additional coking properties and results aggregated in the adjacent table.
- Potential primary use likely to be for blending with other coking coal in the metallurgical coal market.
- Ascot will complete further metallurgical test work on other drill samples in the future and look to develop a series of test pits to access near- surface or outcropping coal seams to provide a bulk sample to interested parties for off-take related discussions.

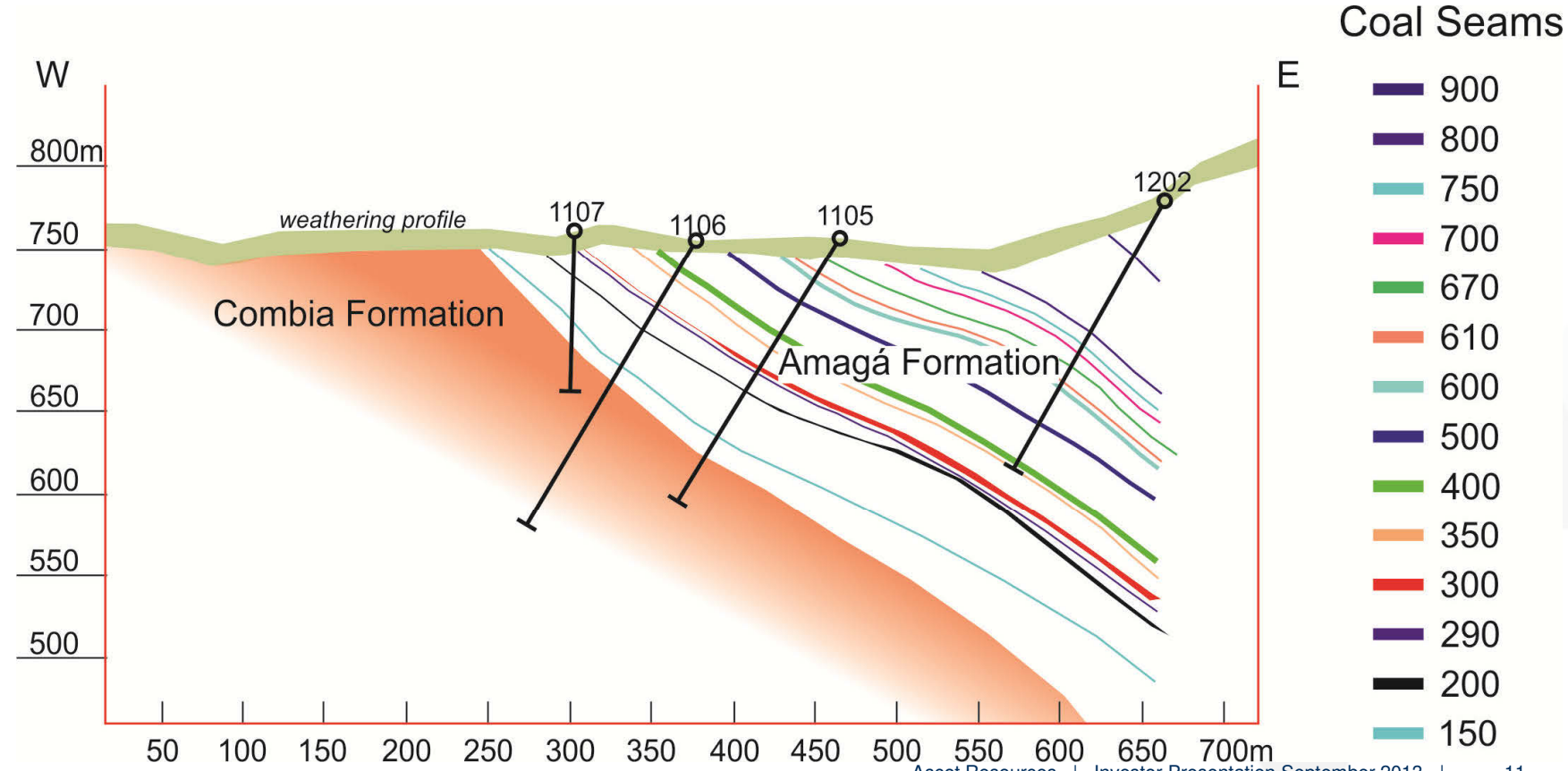
The following table of averages and ranges for coal quality data is based on the 4 completed holes.

Raw Coal Quality[1]	Weighted Average[2]
Total Moisture (% as received)	8.1
Ash (% as tested)	8.5
Free Swelling Index (FSI) (% as tested)	6.7
Phosphorous in Coal (% as tested)	0.004
Volatile Matter[3] (% as tested)	36.0
Total Sulphur (% as tested)	1.08
Calorific Value (CV) (Kcal/kg % as tested)[4]	6,937
Test	**Value**
Geisler Fluidity (ddpm)	up to 97 ddpm
Maximum dilatation %	-32 to 48%
Vitrinite %	73 to 83%
Vitrinite Reflectance %RoV max	0.76 to 0.82

1. Based on coal bore core sample sections attained and tested with no allowance for roof or floor dilution / contamination or losses. No wash testing performed to date. Subject to core recovery estimates being acceptable (yet to be completed).
2. Weighted average of all seam analysis data
3. ASTM method used that typically gives higher values than ISO / AS methods.
4. Gross air-dried value.

Titiribi Project – Coal Geology

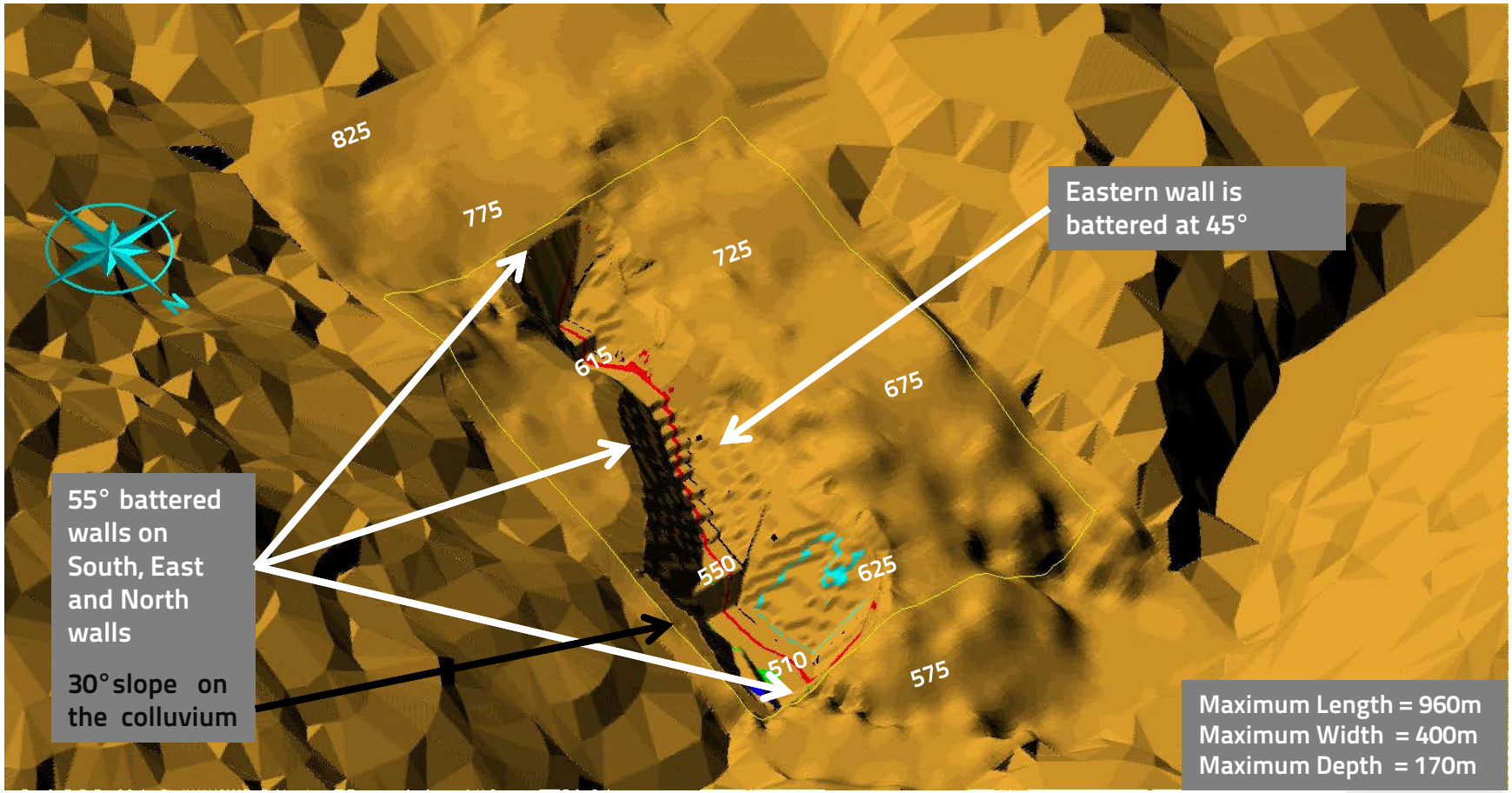
The below cross-section (looking north) shows a typical representation of the coal measures within the Amaga formation. Coal dips to the east and is generally overlain by a weathering zone of 10-12 metres in thickness. Despite this, coal outcropping is evident at various locations throughout each concession. Seam thicknesses range from 0.3m to 13m.



Titiribi Project – Mine Planning

12.6Mbcm ROM Waste

1.4Mt ROM Coal

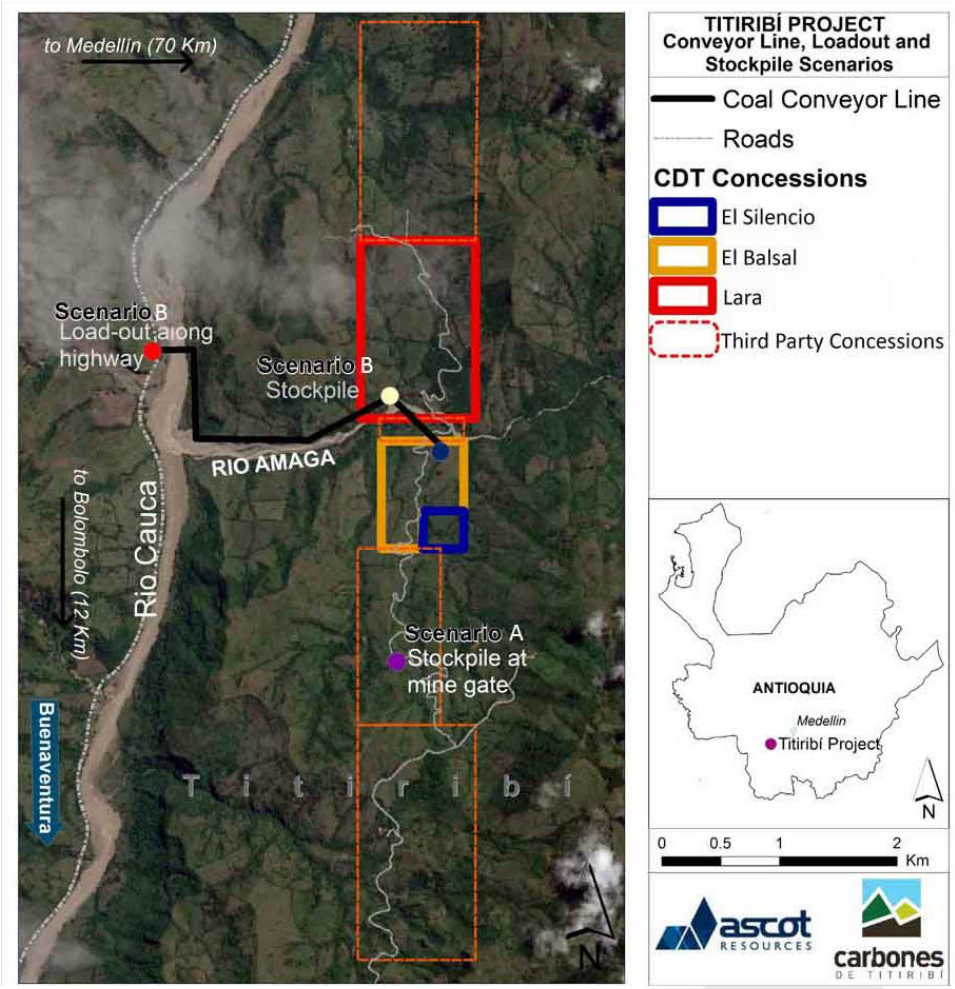


Titiribi Project – Development Scenarios

- **Two scenarios under investigation for mine development strategy:**

- **Scenario A**
  - Upgrade 2km road leading from CdT mine to main highway and sell all coal reserves on FCA basis (El Balsal)
  - CdT will look to secure off-take arrangements with major commodity traders

- **Scenario B**
  - Build 2km bridge conveyor across the River Cauca and sell majority (90%) of coal reserve on FOB basis
  - Balance of coal reserve (10%) to be sold at mine gate to domestic market as cement coal
    - CdT received preliminary interest from Cementos Argos – Colombia's largest cement producer – in relation to potential future off-take



Titiribi Project – Pre-Feasibility Results

- Confirmed relatively low capital and operating cost profile for Titiribi Coal Project
- Low average ROM strip ratio of 6:1[1]
- Operating costs (including royalties) of US$44/t FCA mine gate and US$84/t FOB Buenaventura
- Further potential to optimise cost structure through trade-off studies and value engineering work
- Start-up capital between US$7.8M and US$14.3M to support initial production rate of 250Ktpa
  - Additional US$2.1M required in FY16 to enable increased production rate of 400Ktpa
- Average capital intensity of US$35 per tonne of annual production compares favourably to industry average
- Real opportunity to expand initial resource tonnage by further in-fill drilling at Lara and via consolidation of neighbouring concessions along coal strike
- First coal production expected in early 2015

Physicals	Scenario A	Scenario B
Average Coal Recovery	85%	
Marketable Coal Production	1.4Mt	
Annual Marketable Coal	Up to 400Kt/pa	
Mining Method	Open Cut	
Mining Commencement	2015	
Average ROM Strip Ratio[1]	6:1	
Capital & Operating Costs		
Mining & Processing	44	45
Transport, Handling & Logistics[2]	-	39
Total Operating Cost (US$/t)[3]	44	84
Start-up Capital (US$M)	7.8	14.3
Expansionary Capital (US$M)	2.1	2.1

1. Excludes pre-strip overburden of 3.39Mbcm
2. Transport and logistics apply to semi-sofe coking and thermal sales only
3. Includes 5% government royalty

Titiribi Project – Logistics

- **Independent, third-party logistics, transport & stockpiling investigation**
  - 9 trucking companies and 2 port facility operators supplied cost estimates
- **Port Buenaventura is 513km south-west of Titiribi project**
  - Port Buenaventura is a key metallurgical coal export port
  - Current export capacity of 4mtpa with planned expansion
  - Stockpiling facilities currently under investigation
- **Logistics investigations confirm competitive trucking costs**
  - Due to good utilisation and low labour costs, trucking rates are relatively low
  - Opportunity for further reduction in transport costs by arranging backhaul from port

Titiribi Project – the next 6 months

Ascot intends to focus on completion of the following over the next 6 months to March 2014

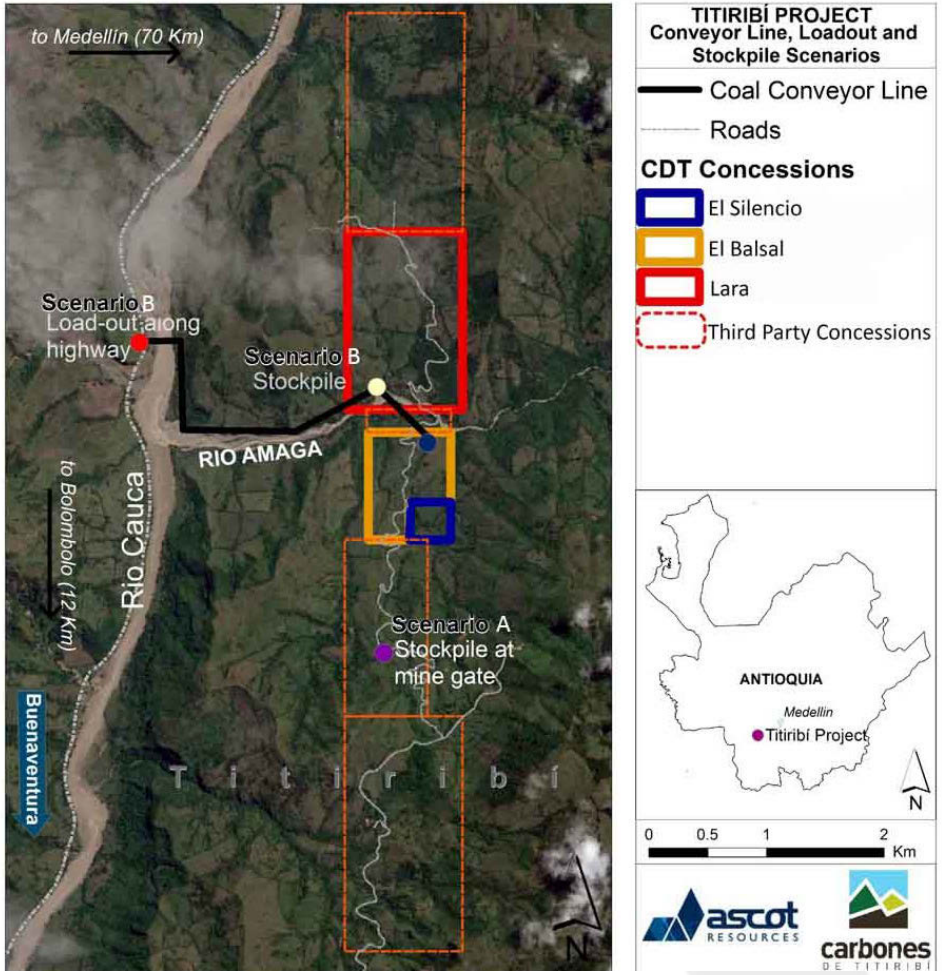
- **Phase 1b – Permitting and trade-off studies**
  - Mining (PTO) and environmental (PMA) permitting studies based on planned project footprint and activity
  - Trade-off studies to enhance project value and confirm basis of design for Feasibility Study
  - Continue discussions and negotiations with potential vendors, contractors, and off-take groups
  - Plan and gain approval for bulk sample (~5,000 tonnes) for further coal analysis

- **Phase 2 – Feasibility Study**
  - In-fill drilling to support planned JORC reserve target
  - Hydrological, geotechnical and sterlization drilling to support project design and permitting
  - Feasibility study on final basis of design
  - Submit PTO for mining approval

3. Business Development

Titiribi Project – Upside potential

- **Surface mapping and geophysical survey have highlighted the expected extension of the coal-bearing Amaga formation to the north and south of Ascot's concession areas**
  - Potential to increase initial resource tonnage
- **3 targeted areas boxed in orange (Arrayanal, Floresta, Arbolitos)**
  - Opportunity to expand production rate and deliver further capital efficiency after start-up operation in El Balsal/El Silencio and Lara
- **Acquisition of mineral rights subject to:**
  - Conversion of larger application area into a registered mining title (in progress)
  - Excising green areas to Ascot's 90% owned subsidiary, CdT, by commercial agreement
- **Ascot aims to drill and develop a resource in the Arrayanal area by mid-2014**

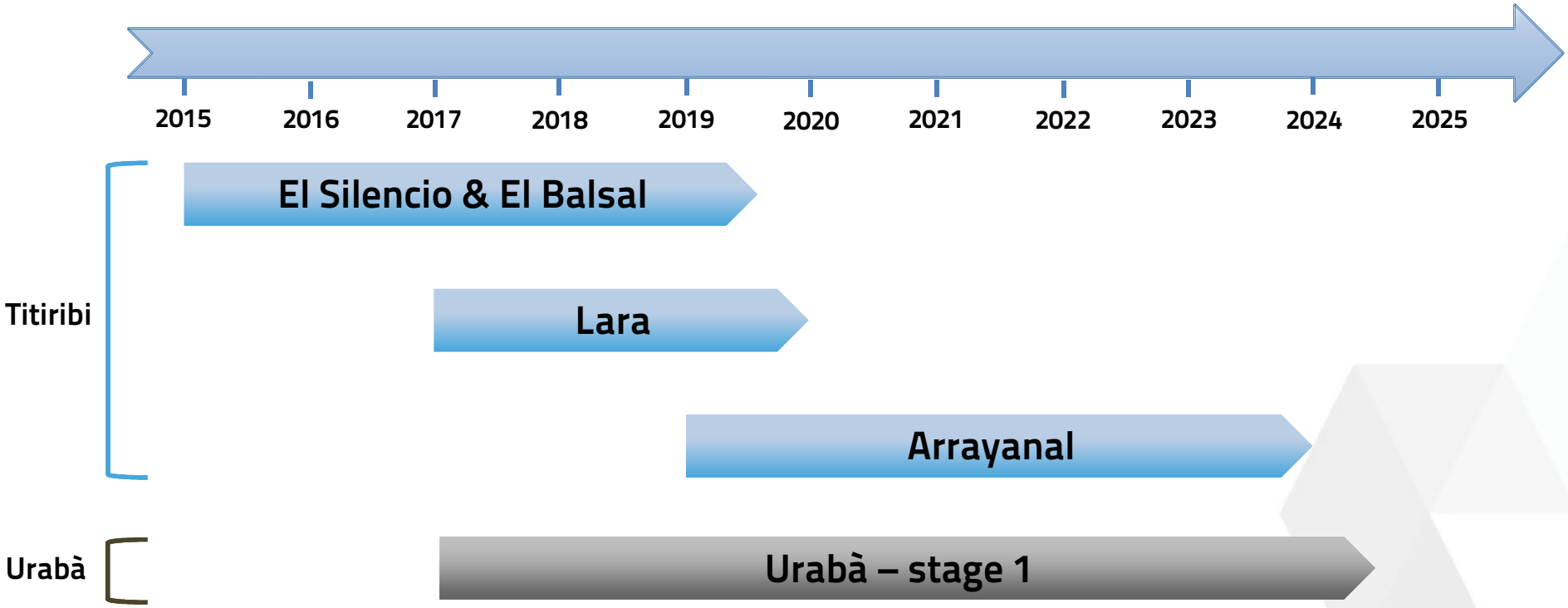


Urabà Project – Overview

- **Ascot entered into conditional, binding Heads of Agreement for the acquisition of 90% interest in the Urabà coal project**
  - Balance held by sophisticated local investor with ties to Serviminas (Colombia's 2nd largest mining services company)
- **Located in the northern part of the State of Antioquia, 24km from the Gulf of Urabà and 360km north of Titiribi**
  - Single concession granted in 2007 spanning ~5,000ha
- **High-quality thermal coal exploration title defined by outcropping coal-bearing zone**
  - Surface sampling of weathered outcrop indicates potential for metallurgical coal
  - Analysis of coal samples taken from trenching suggests potential for significant mineralisation
- **Potential operational synergies:**
  - Proximity to existing port of Turbo underpins low-cost transport solution by trucking or conveying
  - Blending coal produced from Urabà with that from Titiribi to produce higher specification coal – marketing advantage
- **Total cash acquisition cost in the order of US$550K payable to vendor within 6 months with ongoing production royalty; no additional cash/scrip thereafter**

Ascot Resources – Production Pipeline

- Production upside for Titiribi Project through acquisition and consolidation of surrounding land concessions
- Urabà Project provides opportunity to extend reserve base in Colombia and ensure long term returns



4. Summary

Ascot Resources - Why Invest in Ascot?

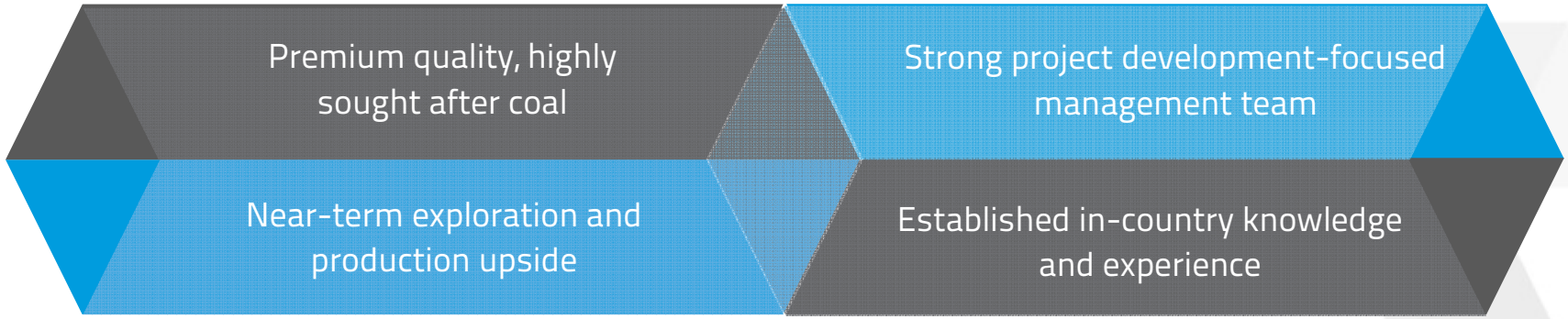
Project-Related Short-Term Catalysts

- Over 70% of maiden JORC Resource is Measured and Indicated with potential for further upside
- Early results indicate export quality metallurgical coal product
- Pre-Feasibility Study results confirm relatively low capital and operating cost profile
- Titiribi expansion through consolidation of surrounding concessions along coal strike and in-fill drilling at Lara

Upside Potential

- Fast-track development to first production
- Simple mining techniques and supply-chain
- Additional project acquisition pipeline through proven credentials and permanent in country presence
- New business case to leverage lack of aggregation outside major global miners in Colombia

Compelling Investment Case



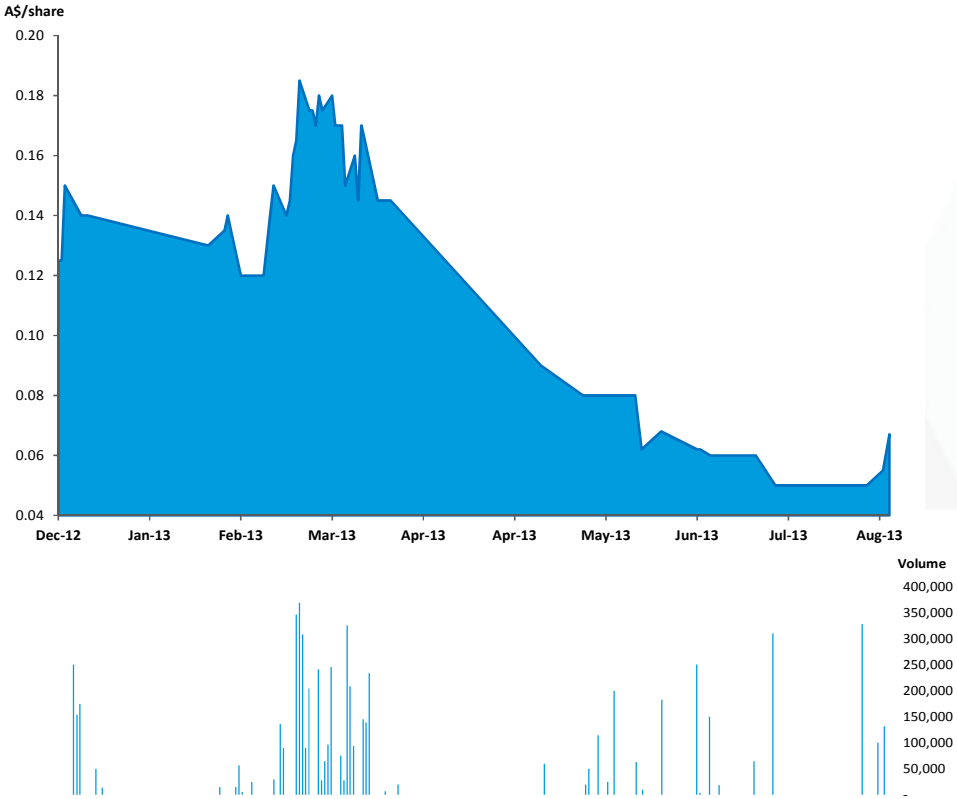
Corporate Overview

Ascot Resources Capital Structure	ASX: AZQ
Shares on issue (excl. perform. shares)	39.0m
Share Price (Aug 22, 2013)	$0.067
Market Capitalisation	$2.6m
Net Debt (Cash) (30 June 2013)[1]	$0.3m
Enterprise Value (EV)	$2.9m
Options ($0.20c; Jan 2014 & Feb 2016)	4.3m
Convertible Note (RCF – conv. at $0.18, May 2015)1	6.8m
Convertible Note (Kopejtka – conv. at $0.18, July 2014)[2]	3.6m
Convertible Note (Sedgman – conv. at $0.18, Aug 2015)[2]	2.8m
Executive Incentives	16.5m

(1) RCF Convertible Note treated as 100% debt
(2) Conversion subject to shareholder approval being obtained

Vendor Performance Hurdles		No. of Shares
Stage 1 (within 12 months)	10Mt Inferred Resource	9.5m
Stage 2 (within 18 months)	20Mt Inferred Resource	10.0m
Stage 3 (within 24 months)	20 day VWAP is greater than $0.35	7.5m
Stage 4 (within 24 months)	20Mt Measured Resource	31.3m

Directors	Role
Andy Caruso	Executive Chairman & CEO
Paul Kopejtka	Non Exec. Director
Francis De Souza	Non Exec. Director



Organisational Structure

DIRECTORS		
Andy Caruso **Executive Chairman and CEO**	Paul Kopejtka **Non-Executive Director**	Francis De Souza **Non-Executive Director**
25 years in mining industry, including operations, management and executive roles	Experienced company Chairman with in excess of 25 years experience in the mining industry.	Experience in financial services, specialising in corporate advisory / equity markets.
5 years working in coal operations including 2 years at BHP Coal in QLD.	Founding director, shareholder and former Executive Chairman of Murchison Metals and co-founder of Extract Resources and former director of Indo Mines.	Co-founder of Otsana Capital, boutique corporate advisory firm.
Previously CEO of Crosslands Resources and MD of Australasian Resources.	Bachelor's Degree in Chemical Engineering.	Facilitated a number of resource transactions.

KEY MANAGEMENT		
David Berg **Company Secretary**	John Malysa **Project Director**	Honorio Velez
Corporate lawyer and company secretary.	US national fluent in Spanish	Minority shareholder (10%) in Titiribi Joint Venture.
Approximately 4 years as Company Secretary of Mount Gibson Iron.	Vast project experience including the development of 8 coal projects in Colombia and Venezuela.	Experienced civil engineer with local knowledge and project expertise.

Contact

Andy Caruso
Executive Chairman & CEO
T: 08 9381 4534

Paul Kopejtka
Non-Executive Director
T: 08 9381 4534

Francis DeSouza
Non-Executive Director
T: 08 9381 4534

David Berg
Company Secretary
T: 08 9381 4534

Perth Office
512 Hay Street
Subiaco, WA, 6008
T: +61 8 9381 4534
F: +61 8 9380 6440
E: admin@ascotresources.com

APPENDIX

Appendix 1

Coal Seam Analyses and Drill Intercepts

Weighted average of coal quality values from HQ diamond drilling above 0.3 metres in drill thickness are summarised in the following table:

Seam ID	Geophysical Thickness (average)	Eq. Moisture	FSI	Relative Density	Moisture Total	AR Ash	AR Sulphur	AR Phosphorous (P)	AR Volatile Matter	AR Fixed Carbon	AR Gross Calorific Value
	M	%	--	g/ cc	%	%	%	%	%	%	KCAL/KG
800	1.21	1.90	8.5	1.30	6.23	10.75	1.56	0.002	36.82	46.20	7,088.0
750	0.86	1.61	8.3	1.27	3.39	10.75	2.35	0.011	37.57	48.29	7,313.1
700	1.90	1.08	8.3	1.40	5.40	22.72	1.76	0.006	33.42	41.31	6,254.9
670	1.46	5.10	4.3	1.23	10.81	5.20	1.31	0.019	33.97	50.01	6,671.7
610	0.86	1.50	8.0	1.41	6.98	18.44	3.76	0.007	32.93	42.67	6,395.9
600	1.75	1.94	8.5	1.24	6.93	10.07	1.54	0.014	35.83	47.18	7,055.5
500	2.85	1.74	7.0	1.25	6.89	7.22	1.25	0.001	36.37	49.52	7,314.8
400	3.69	2.25	7.5	1.27	8.71	7.94	1.11	0.002	37.00	46.35	6,988.8
300	5.15	2.24	6.0	1.27	8.51	7.99	0.67	0.003	35.91	47.59	6,852.1
290	0.64	2.60	1.8	1.52	11.63	22.95	1.56	0.006	30.37	35.05	5,152.3
200	1.96	2.44	6.4	1.29	9.84	7.60	1.69	0.005	35.63	46.93	6,795.7
150	2.32	2.23	7.0	1.29	6.91	6.22	0.63	0.009	36.84	50.03	7,258.8

Coal Outlook – Key Themes

Metallurgical Coal

- **Steel markets have begun to rebound and underpin future metallurgical coal demand**
  - Stronger construction and vehicle production figures in the US expected to continue into 2014 and beyond
  - Urbanisation of rural populations in China and India a major driver of steel and electricity demand
  - Industrialisation and motorisation of non-OECD countries a key long-term positive
  - IHS McCloskey forecast global crude steel output to rise 14% from 2012 levels to 1.7Bt by 2016
  - Asia the key driver in global steel output with China's crude steel production expected to peak in 2025 at 1.1Bt ('BREE Australian Bulk Commodity Exports and Infrastructure – outlook to 2025)

Thermal Coal

- **Global energy consumption intrinsically linked to rise in population and GDP growth**
  - By 2030 world population expected to reach 8.3Bn – 1.3Bn more people will need energy
  - BP forecast world real income levels to double by 2030 relative to 2011
  - Demand for power expected to largely come from non-OECD countries as populations continue to urbanise
  - Thermal coal's share of primary energy expected to remain around 30% out to 2050
  - China expected to remain the world's largest consumer (>50%); India to overtake the US by mid-20's
  - High-cost renewable energy projects causing rising electricity prices in OECD countries are beginning to be unwound