



Ascot Resources Limited

Fast Tracked Coal Production

Corporate Presentation
January 2014



ASX: **AZQ**

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The information in this report that relates to Exploration Results and Mineral Resources is extracted from the report entitled 'Increase to maiden JORC Resource at Ascot's Titiribi Project' created on 24 January 2014 and is available to view on www.ascotresources.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

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1. Introduction



Ascot - Poised for rapid growth

2013 – achieved solid foundation for ongoing future development



2H CY15

Target first coal production with initial start-up 250ktpa coking coal operation

Deliver high quality coal products

Multi-project development pipeline

Expanded resource base including new acquisitions

Notes:

- (1) Enterprise value calculated using closing share price on 21 January 2014 of \$0.092 per share.
- (2) Refer to Ascot's ASX announcement dated 26 August 2013 for explanation of assumptions underpinning target. Ascot confirms that all material assumptions underpinning the target and forecast financial information in relation to the target in Ascot's ASX announcement on 26 August 2013 continue to apply and have not materially changed.

Ascot Resources – Vision & Strategy

Our Vision

1. Target first coking coal production by 2H CY15
2. Develop multi-project development pipeline in Colombia
3. Build multi-asset portfolio in Colombia

Our Strategy



- Maintain development momentum to ensure production by 2H CY15
- Secure off-take arrangement with coal trader
- Recent acquisition of surrounding coal-bearing concessions along strike underpins potential to increase project value

- Complete acquisition of Urabá Coal Project by 1H CY14
- Commence exploration drilling 2Q CY14
- Delineate coal resource and coal quality in 2H CY14.

- Continue assessing additional in-country projects and business development opportunities
- Actively manage capital structure to deliver shareholder value

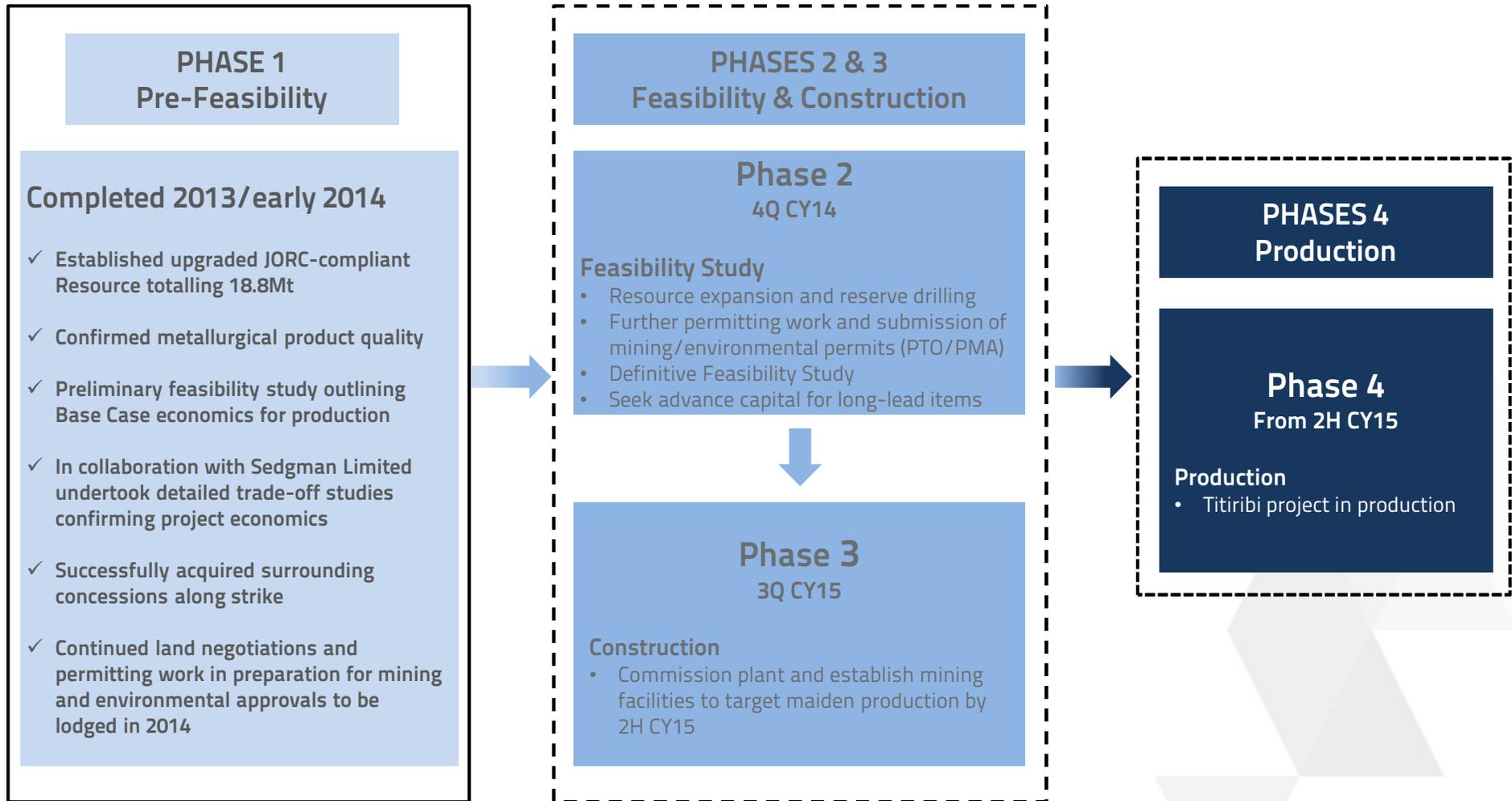


2. Titiribi – Project Development



Titiribi Project - Fast-Tracked Project Development

Focus on successfully commissioning the Titiribi coal mine by 2H CY15



Titiribi Project – Coal Mineralisation

CdT acquired neighbouring concessions comprising areas known as Arrayanal, Floresta, Arbolitos and Rio Amaga

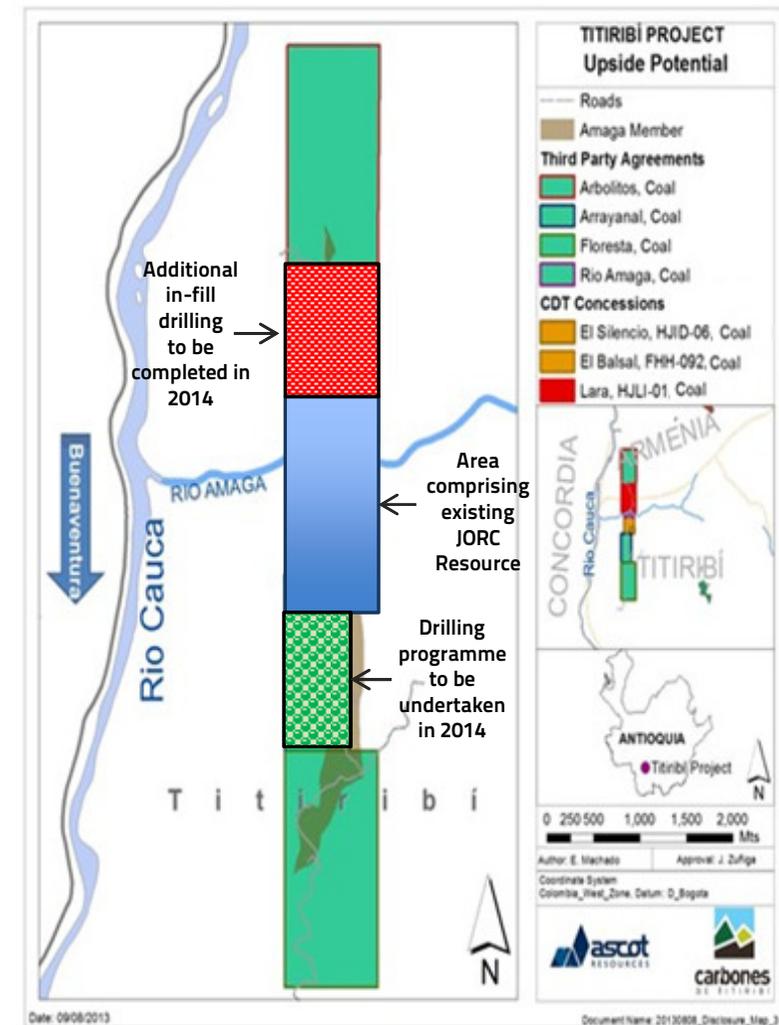
- ▶ Areas cover c.503ha, resulting in ~250% increase in land holding

Surface mapping and non-invasive geophysical exploration work highlights the expected extension of the coal-bearing Amaga formation to the north and south of Ascot's concession areas

- ▶ Potential to significantly increase mineralisation
- ▶ Opportunity to expand production rate and deliver further capital efficiency after start-up operation in El Balsal/El Silencio and Lara
- ▶ Current Base Case modelling does not account for upside potential

Effective transfer of concessions expected to occur during 2Q CY14

- ▶ Aim to expedite drilling & exploration works on Arrayanal to increase existing resource estimate by end 1H CY14



Titiribi Project – JORC Resource & Quality

HIGHLIGHTS:

- ▶ A total of 23 holes totalling 4,000m were drilled covering approximately 2.5km of seam strike length
- ▶ Identified and correlated 16 coal seams within El Balsal and El Silencio concessions
 - ▶ Apparent thicknesses ranging from 0.3m to 5.1m and dip 55° to the east
- ▶ Upgraded JORC resource estimate of 18.8Mt

| JORC resource category (Mt) | El Silencio / El Balsal | Lara | Arrayanal | TOTAL |
|-----------------------------|-------------------------|------------|-------------|-------------|
| Measured | 5.2 | - | 2.7 | 7.9 |
| Indicated | 0.7 | - | 8.02 | 8.7 |
| Inferred | 0.4 | 1.8 | - | 2.2 |
| TOTAL | 6.3 | 1.8 | 10.7 | 18.8 |

- ▶ 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.

| | Moisture (%) | Ash (%) | FSI | Phosphorous (%) | Volatile Matter ³ (%) | Sulphur (%) | CV ⁴ (kCal/kg) |
|---------------------------------|--------------|---------|-----|-----------------|----------------------------------|-------------|---------------------------|
| Raw Coal Quality ^{1,2} | 8.1 | 8.5 | 6.7 | 0.004 | 36 | 1.08 | 6,937 |

Notes:

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.

- ▶ Assay results show vitrinite levels up to 80% which, when correlated with calorific value, FSI, moisture and volatiles, indicate a bituminous coal rank

Titiribi Project – Development Scenarios

Original PFS investigated two possible scenarios for mine development strategy:

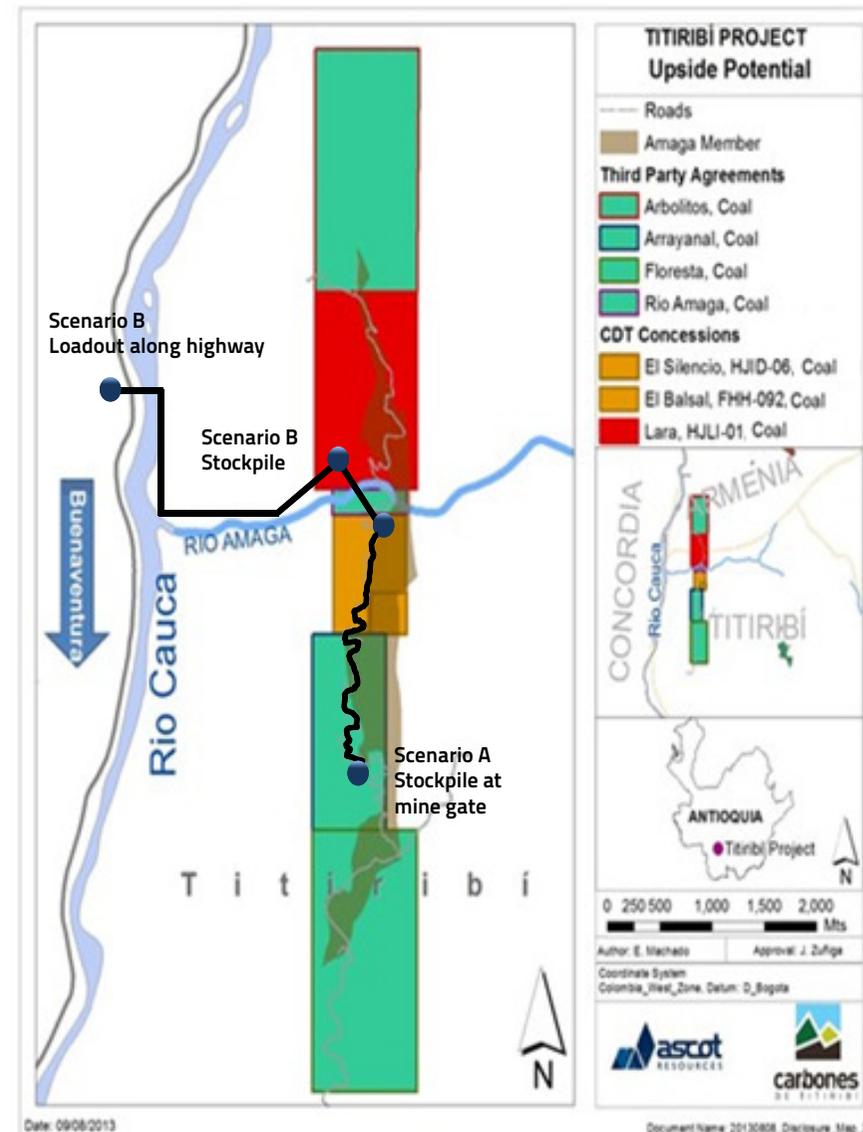
Scenario A

- ▶ Upgrade 2km road leading from project mine to main highway and sell all coal reserves on Free-Carrier Basis (FCA) at mine gate

Scenario B

- ▶ Build 2km bridge conveyor across the River Cauca and sell majority of coal reserve (90%) on FOB basis (ex. Buenaventura port)
- ▶ Balance to be sold at mine gate as cement coal for consumption within Colombia

Ascot is currently in confidential negotiations with major commodity traders (including Cementos Argos – Colombia's largest cement producer) for potential future off-take



Titiribi Project – PFS Results

HIGHLIGHTS⁴:

- ▶ **Confirmed low operating cost profile (inc. royalties):**
 - ▶ Scenario A - US\$44/t FCA mine gate
 - ▶ Scenario B - US\$84/t FOB Buenaventura
- ▶ **Confirmed low capital expense structure required to support 250,000tpa production target**
 - ▶ Scenario A – US\$8M
 - ▶ Scenario B - US\$14M
- ▶ **Further potential to optimise cost structure**
- ▶ **Low average ROM strip ratio of 6.5:1¹**
- ▶ **Average capital intensity of US\$45/t**
 - ▶ Compares favourably to industry average
- ▶ **Real opportunity to expand initial resource tonnage**
 - ▶ Further in-fill drilling at Lara
 - ▶ Consolidation of neighbouring concessions along coal strike
- ▶ **First coal production expected in 2015**

| Physicals | Scenario A | Scenario B |
|--|------------|------------|
| Average Coal Recovery | 85% | |
| Marketable Coal Production | 1.4Mt | |
| Annual Marketable Coal | 250Ktpa | |
| Mining Method | Open Cut | |
| Mining Commencement | 2015 | |
| Average ROM Strip Ratio ¹ | 6.5:1 | |
| Capital & Operating Costs | | |
| Mining & Processing | 44 | 45 |
| Transport, Handling & Logistics ² | - | 39 |
| Total Operating Cost (US\$/t) ³ | 44 | 84 |
| Construction Capital (US\$M) | 8 | 14 |

Notes:

1. Excludes pre-strip overburden of 3.39Mbcm
2. Transport and logistics apply to semi-soft coking and thermal sales only
3. Includes allocation for 5% government royalty
4. Refer to Ascot's ASX announcement dated 26 August 2013 for explanation of assumptions underpinning target. Ascot confirms that all material assumptions underpinning the target and forecast financial information in relation to the target in Ascot's ASX announcement on 26 August 2013 continue to apply and have not materially changed.

Titiribi Project – Logistics

- ▶ **Independent, third-party logistics, transport & stockpiling investigation**
 - ▶ 9 trucking companies and 2 port facility operators supplied cost estimates
- ▶ **Port Buenaventura is 520km south-west of Titiribi project**
 - ▶ Port Buenaventura is a key metallurgical coal export port (c.75% of Colombia's met coal)
 - ▶ Current export capacity of 4Mtpa with planned expansion to 10Mtpa
 - ▶ 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 through backhaul from port



Titiribi Project – Timing & Scheduling

Ascot Resources

2014 Project Development

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Drilling - Resource development and Permitting

Arrayanal and northern Floresta¹

Resource Drilling

Analysis, estimation and reporting

EI Balsal/EI Silencio - Geotechnical/hydrological drilling

Drilling

Analysis, estimate and reporting

Lara

Resource Drilling

Analysis, estimation and reporting

EI Balsal/EI Silencio - Reserve drilling

In-fill Drilling

Analysis, estimation and reporting

JORC Resource Definition, Updated PFS and DFS

Preparation of Revised JORC Report

Updated PFS Study

Commence & Complete DFS

Mining (PTO) and Environmental (Permitting)

Prepare and Lodge PTO

Updated PTO submission after drilling and PFS update

PTO approval (expected)

Environmental studies

Prepare and Lodge PMA

Notes:

(1) Target area within Arrayanal and northern part of Floresta

(2) Subject to funding





2. Urabá Project



Urabá Project – Overview

HIGHLIGHTS:

- ▶ **Conditional binding Heads of Agreement signed in July 2013**
 - ▶ Acquisition of 90% interest in single concession granted in 2007 and covering 5,000 ha (50km²)
 - ▶ Balance held by sophisticated local investor with ties to Serviminas (Colombia's 2nd largest mining services company)
 - ▶ US\$450,000 payable within 6 months of completion – no additional production royalty or cash/scrip thereafter
- ▶ **Located in the northern part of the State of Antioquia, 25km from the Gulf of Urabá and 360km north of Titiribi**
- ▶ **High-quality coal exploration title**
 - ▶ Analysis of coal samples taken from trenching suggests potential for significant mineralisation
 - ▶ Preliminary surface sampling of weathered outcrop indicates potential metallurgical coal properties
- ▶ **Potential for operational synergies**
 - ▶ Proximity to existing port of Turbo (~30km)
 - ▶ Potential blending opportunities with Titiribi coal – marketing advantage to be explored



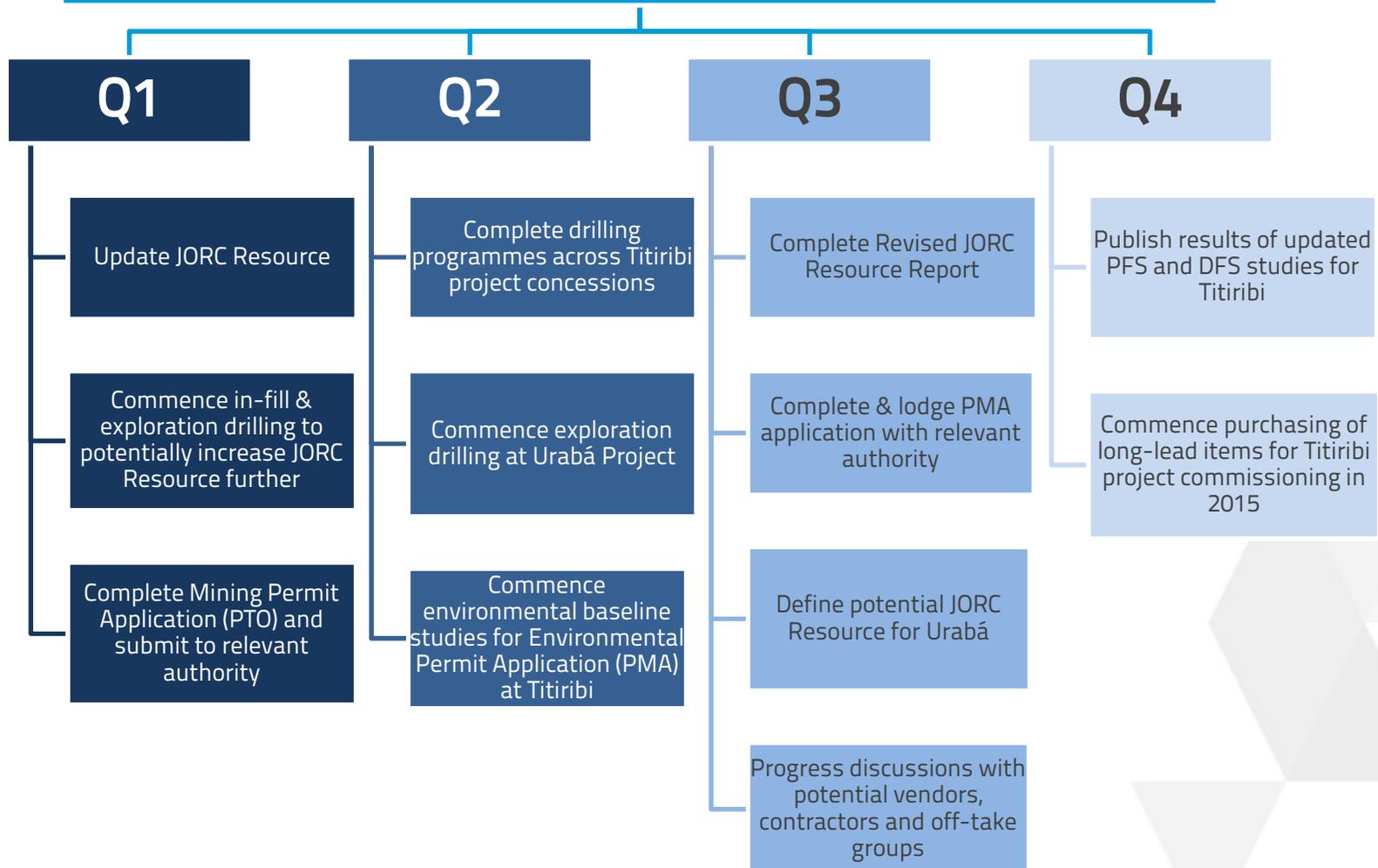


3. Outlook & Summary



Ascot Resources – Outlook for 2014

Key Project Milestones for 2014



Ascot Resources - Why Invest in Ascot?

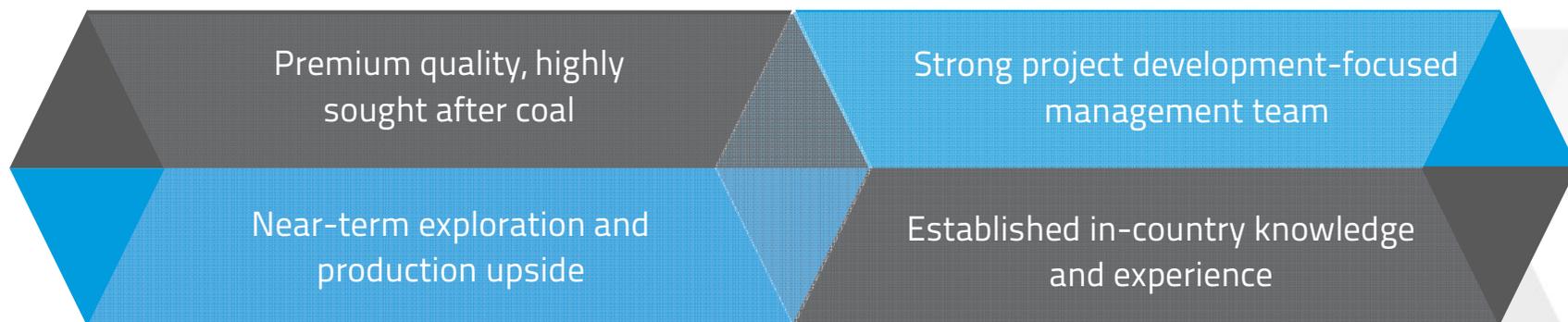
Project-Related Short-Term Catalysts

- ▶ Over 70% of maiden JORC Resource is Measured and Indicated with potential for further upside
- ▶ Early results indicate export quality metallurgical coal product
- ▶ PFS results confirm relatively low capital and operating cost profile
- ▶ Imminent expansion of Titiribi through acquisition and consolidation of surrounding concessions along strike and in-fill drilling on existing tenements

Upside Potential

- ▶ Fast-track development to first production
- ▶ Complete acquisition and preliminary drilling at Urabá
- ▶ 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



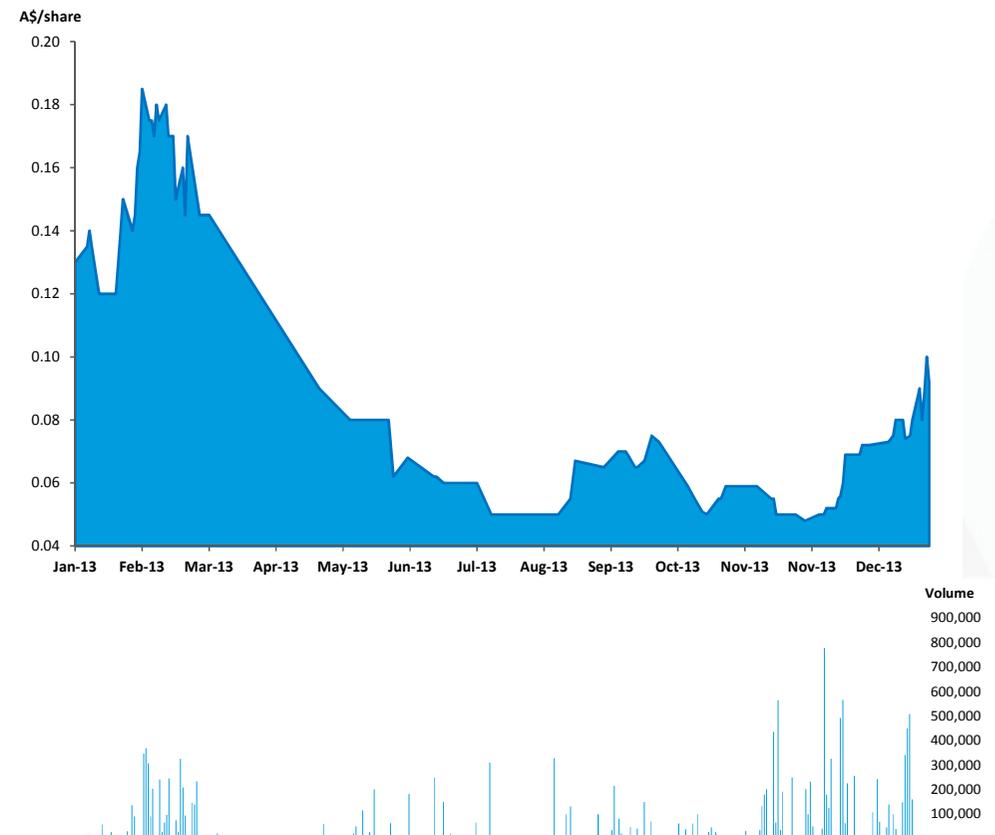
Corporate Overview

| Ascot Resources Capital Structure | ASX: AZQ |
|--|----------|
| Shares on issue (excl. perform. shares) | 48.5m |
| Share Price (Jan 21, 2014) | \$0.092 |
| Market Capitalisation | \$4.5m |
| Cash ¹ | \$1.2m |
| Convertibles ^{1,2} | \$2.8m |
| Enterprise Value (EV) | \$6.1m |
| Options | |
| 3.5M exercisable @ \$0.20 on or before 31 January 2014 | |
| 0.8M exercisable @ \$0.20 on or before 22 February 2014 | |
| 6.3M exercisable @ \$0.10 on or before 28 November 2016 | |
| Executive Incentives (exercisable on or before 30 June 2015) | 16.5m |

- (1) Balance at 30 September 2013, plus subsequent convertible note issued in December 2013
 (2) Treated as debt, conversion subject to shareholder approval being obtained

| Vendor Performance Hurdles | | No. of Shares |
|-------------------------------|------------------------------------|---------------|
| Stage 1 (27 February 2014) | 10Mt Inferred Resource | 9.5m |
| Stage 2 (27 August 2014) | 20Mt Inferred Resource | 10.0m |
| Stage 3 (27 February 2015) | 20 day VWAP is greater than \$0.35 | 7.5m |
| Stage 4 (27 February 2015) | 20Mt Measured Resource | 31.3m |

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



Organisational Structure

| DIRECTORS | | |
|---|---|--|
| Andy Caruso Executive Chairman & 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



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