

QUARTERLY ACTIVITIES REPORT AS AT 31 DECEMBER 2014

ASX Code: AZQ

Securities on Issue

132.8M Ordinary Shares
3.2M \$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
(Executive Director)

Francis De Souza
(Non-Executive Director)

Shahb Richyal
(Non-Executive Director)

James McClements
(Non-Executive Director)

Nathan Featherby
(Non-Executive Director)

Contact Details

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SECOND QUARTER FY15 – HIGHLIGHTS

WONMUNNA IRON ORE PROJECT

- Native Vegetation Clearing Permit (**NVCP**) for the project granted by the Department of Mines and Petroleum (**DMP**) in October 2014
- Mining Proposal and Mine Closure Plan submitted to DMP in November 2014 with approval expected February 2015
- Native Title Mining Agreement executed by Nyiyaparli #3 claimant group in December 2014
- Completion of geotechnical drilling program
- Submission of Section 18 Notice to the Department of Aboriginal Affairs (**DAA**) in December 2014

CORPORATE

- James McClements, Shahb Richyal and Nathan Featherby appointed as Non-Executive Directors on 13 October 2014.
- Subsequent to quarter end Mr Francis De Souza will cease to act as an Executive Director but will continue as a Non-Executive Director.

FINANCIAL

- At 31 December 2014 the Company had cash reserves of \$5.92 million and a market capitalisation of \$18.59 million (based on a share price of \$0.14).

PROJECT ACTIVITIES

WONMUNNA IRON ORE PROJECT

Ascot formally 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.

During the quarter and post-acquisition, Ascot progressed key project approvals and technical work with the objective of positioning Wonmunna for future financing and development

The 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 February 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 Nyiyaparli #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 Nyiyaparli #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 on the Project. After initial analysis of the conforming tenders, discussions are ongoing with short-listed contractors.

Subject to obtaining project financing, Ascot's strategy is to expedite the development of Wonmunna with a view to commencing production of high quality DSO products in the second half of 2015.

TITIRIBI COAL PROJECT

During the quarter Ascot continued to advance the finalisation of 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.

BUSINESS DEVELOPMENT

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.

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

Capital Raising

As part of the Wonmunna Transaction, Ascot successfully completed an A\$10.9 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.

Messrs James McClements, Shahb Richyal and Nathan Featherby were appointed as Non-Executive Directors of Ascot on 13 October 2014. Subsequent to quarter end the Company has agreed that Mr Francis De Souza will cease to act as an Executive Director but will continue as a Non-Executive Director.

FINANCIAL

At 31 December 2014 the Company had cash reserves of \$5.92 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.

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. The company is in the process of advancing the development of the Wonmunna Project, aiming to deliver a near-term, relatively low cost production outcome.

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:

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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 31 December 2014 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
L47/727	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

Miscellaneous licence 47/727 was granted during the quarter.

Beneficial percentage interests held in farm-in or farm-out agreements as at 31 December 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')

31/12/2014

Statement of Cash Flows

	Current quarter 31 December 2014 \$A'000	Year to date (6 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*	(1,213)	(3,667)
(b) development	-	-
(c) production	-	-
(d) administration	(903)	(1,582)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	24
1.5 Interest and other costs of finance paid	-	(22)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
*Inc payment of stamp duty		
Net Operating Cash Flows	(2,093)	(5,247)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(6)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	51	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	51	(6)
1.13 Total operating and investing cash flows	(2,042)	(5,253)

<i>Statement of cash flows continued...</i>			
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	325	10,538
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs on Non-Cash Director Shares issued)	-	-
Net Financing Cash Flows		325	10,538
Net increase (decrease) in cash held			5,286
1.20	Cash at beginning of quarter/year to date	7,634	634
1.21	Exchange rate adjustments to item 1.20	3	(1)
1.22	Cash at end of quarter	5,920	5,920

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	43.8
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting fees

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	2,770	2,770
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter		\$A'000
4.1 Exploration and evaluation		1,228
4.2 Development		
4.3 Production		-
4.4 Administration		923
Total		2,151

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	5,870	7,585
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)	5,920	7,635

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	<u>Newman</u> E47/1137 M47/1423, M47/1424, M47/1425 L47/727	Beneficial Owner 0%	100%

+ 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*	132,787,384		-	-
7.4 Changes during quarter				
(a) Increases through issues	1,861,358		-	-
(b) Decreases through return of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities	4	Nil	\$2,770,000	-
7.6 Changes during quarter				
(a) Increases through issues	-	Nil	-	-
(b) Decreases through securities matured, converted	-	-	-	-
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
Performance Rights	750,000	-	Nil	30/06/2015
Performance Rights	50,000,000	-	Nil	Nil
7.8 Issued during quarter (performance rights)	-	-	-	-
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: 30 January 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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