Ascot Resources Limited

ABN 85 146 530 378

ANNUAL REPORT 2015

Ascot Resources Limited
ABN 85 146 530 378

Directors & Officers
Mr Paul Kopejtka - Executive Chairman
Mr Andrew Caruso – Executive Director
Mr Francis DeSouza - Non Executive Director
Mr James McClements – Non Executive Director
Mr Shahb Richyal – Non Executive Director
Mr Nathan Featherby - Non Executive Director
Mr Mike Young – Non Executive Director
Mr Chris Corbett – Non Executive Director

Mr Christopher Foley – Company Secretary

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Securities Exchange
Australian Securities Exchange (ASX)
Home Exchange – Perth
ASX Code – AZQ (ordinary shares)

Domicile and Country of Incorporation
Australia

Bankers
National Australia Bank
1232 Hay Street
West Perth WA 6005
Website: www.nab.com.au

Auditors
Pitcher Partners Corporate & Audit (WA) Pty Ltd
Level 1, 914 Hay Street
Perth WA 6000
Website: www.pitcher.com.au

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Website: www.securitytransfers.com.au

Dear Shareholder

Ascot Resources Ltd (Ascot) remains committed to its strategy to acquire and develop projects that have the potential to deliver value outcomes for shareholders in an expedited timeframe. Since acquiring the Wonmunna Iron Ore Project (Wonmunna) in September 2014, Ascot has made significant progress towards positioning it for future development, despite the decline and volatility in the iron ore market over the same period.

As evidence of Ascot's ability to rapidly progress project objectives, the following has been achieved since the Wonmunna acquisition:

- Securing all material primary environmental approvals including a Native Vegetation Clearing Permit (NVCP) and endorsement of the Mining Proposal and Closure plan
- Completion of heritage surveys, securing Section 18 consents for the intended project footprint and finalising Mining Agreements with Native Title claimants
- Granting of Miscellaneous License to facilitate a haul road to the Great Northern Highway
- Updating of mine and waste dump plans and schedules
- Completion of a geotechnical drilling program
- Issuing tenders for major mining, processing and haulage contracts to support financial estimates
- Issue of a maiden Ore Reserve estimate in accordance with JORC (2012)
- Completion of materials handling characterization testwork and Value In Use (VIU) analysis
- Advancement of discussions and development of term sheets with a number of parties relating to a potential mine gate sale and/or obtaining port access at Port Hedland.

The project is now poised for final development work preceding a funding decision. The Company will continue to pursue opportunities to enhance the value of the Project through further targeted exploration and resource drilling as well as cost reduction initiatives.

Ascot retains its presence in Colombia via its 90%-owned Titiribi coal asset (which is close to securing environmental approval) and has access to coal application areas in the Urabá region to provide optionality in the event of an improvement in coal markets.

Ascot is highly appreciative of the financial support of its shareholders, particularly Resource Capital Fund V L.P (RCF) and the Gunvor Group (Gunvor), whose combined funding of c.A$10 million in 2014 has underpinned the development of Wonmunna since its acquisition. In light of the current challenges in the iron ore market, Ascot has also embarked on initiatives to preserve capital which will remain a core focus for the coming year.

Ascot welcomed the addition of Mr. Mike Young to the Board in 2015 – he brings significant expertise in the areas of corporate and project development and the Company looks forward to his ongoing contribution.

On behalf of the Board, I would like to thank our staff and shareholders for their ongoing support during the past year. Ascot remains committed to delivering long-term shareholder value in the face of the current challenging conditions and we look forward to sharing further updates on our development plans during the year ahead.

Paul Kopejtka
Executive Chairman

The Directors submit their report together with the financial report of the consolidated entity consisting of Ascot Resources Limited (the "Company" or "Ascot") and its controlled entities, for the financial year ending 30 June 2015.

1. INFORMATION ON DIRECTORS

The names and details of the Company's Directors in office during the financial year and as at the date of this report are noted below. Directors were in office for the entire year unless otherwise stated. Where applicable, all directorships held in listed public companies over the last three years have been detailed below.

Paul Kopejtka
Executive Chairman
(Appointed 10 December 2012)

Mr Kopejtka has previously been associated with a number of Australian listed companies, most notably Murchison Metals Limited, where he was a founding director, shareholder and former Executive Chairman. Under Mr Kopejtka's leadership, Murchison successfully developed the Jack Hills Iron Ore Stage 1 mine producing 2 million tonnes per annum of high grade iron ore.

Mr Kopejtka has a Bachelor's Degree in Chemical Engineering and is a member of the Australian Institute of Company Directors.

Mr Kopejtka is currently Non- Executive Chairman of MHM Metals Ltd (ASX: MHM).

Andrew Caruso
Executive Director
(Appointed 27 March 2013)

Mr Caruso has over twenty years' experience in the mining industry including operations, management and executive roles within Australia and internationally.

Mr Caruso has previously spent over ten years working in significant Australian iron ore and coal operations, including six years at iron ore ventures operated by BHP and Rio Tinto in the Pilbara. Previously he was CEO of Crosslands Resources Ltd, which was developing the Jack Hills iron ore expansion project in Western Australia. He holds a Bachelor's Degree in Mining Engineering and a Diploma in Applied Finance and Investment.

Francis DeSouza
Non Executive Director
(Appointed 21 September 2011)

Mr DeSouza holds a Bachelor of Commerce majoring in Banking and Finance and has many years' experience in financial services, specialising in corporate advisory and equity markets with a specific focus in the resources sector. He has facilitated a number of resource transactions ranging from reverse takeovers, project evaluations through to capital raisings and initial public offerings (IPOs). Mr DeSouza is the co-founder of Otsana Capital Pty Ltd, a boutique advisory firm specialising in mergers and acquisitions, capital raisings and IPOs.

James McClements
Non Executive Director
(Appointed 13 October 2014, Resigned 21 September 2015)

Mr James McClements co-founded Resource Capital Funds (RCF) in 1998 and oversees all aspects of RCF as Managing Partner. RCF currently manages U$2.8 billion in investments and raised US$2.04 billion for its sixth fund. RCF has provided financial support to over 100 mining companies involving projects located in 42 countries and relating to 29 different commodities. Prior to launching RCF, Mr McClements was a natural resources sector banker with N.M. Rothschild in Australia and USA, and with Standard Chartered Bank. Mr McClements is an honours graduate in Economics from the University of Western Australia, and serves on the board of Directors of RCF portfolio company, Global Advanced Metals Pty Ltd as Chairman and as an Independent Non- Executive director of Mineral Resources Ltd (ASX:MIN).

Shahb Richyal
Non Executive Director
(Appointed 13 October 2014)

Mr. Shahb Richyal is a member of the principal investments (and acquisition financing) team at Gunvor Group (Gunvor). He is currently based in Singapore and responsible for the Asia Pacific region. Mr Richyal has over 10 years' professional experience, the majority of which has been covering the natural resources sector in a principal investment, M&A and capital markets advisory capacity. Prior to joining Gunvor, Mr Richyal held positions with Morgan Stanley (Investment Banking Division), Dresdner Kleinwort (Strategic Advisory & M&A) and PricewaterhouseCoopers. Mr Richyal is a qualified chartered accountant (member of the Institute of Chartered Accountants of Scotland) and holds a MChem (Honours) from the University of Oxford.

Nathan Featherby
Non Executive Director
(Appointed 13 October 2014)

Mr Nathan Featherby is currently the Executive Chairman of Ochre Group Holdings Ltd (Ochre). He holds a Bachelor of Commerce from Curtin University, and has spent most of his working career in stockbroking and merchant banking with a focus on small- to medium size mining and exploration companies.

Mike Young
Non Executive Director
(Appointed 12 June 2015)

Mr Young is a geologist and a graduate of Queens University, Canada with a Bachelor of Science (Honours) degree in Geological Sciences. His experience includes base metals, iron ore, uranium and gold, with a strong focus on mine-camp exploration, resource definition, and mine development. Mr Young was a founding director of uranium developer Bannerman Resources, the first CEO and MD of BC Iron and is the non-executive Chairman and founder of Cassini Resources. Mr Young is currently Chief Executive Officer and Managing Director of Vimy Resources (ASX: VMY).

Chris Corbett
Non Executive Director
(Appointed 21 September 2015)

Mr Corbett joined Resource Capital Funds in 2008 after working as a financial analyst and commercial manager within the business development department at Wesfarmers Limited. Prior to this he worked as an engineer for Byrnecut Mining Pty Ltd where he gained technical experience in shaft sinking and equipping and underground mine development and production. Mr. Corbett has a B.Eng. (Mech, First Class Honors) and a B.Com. from the University of Western Australia, Grad. Dip. in Mining from the Western Australian School of Mines and a Grad. Dip. in Applied Finance and Investment from FINSIA. Mr. Corbett also serves on the Board of Directors of portfolio company Wolf Minerals Ltd.

2. INFORMATION ON COMPANY SECRETARY

David Berg

Company Secretary
(Appointed 18 February 2013, resigned 22 July 2014)

Mr Berg is a corporate lawyer and company secretary with significant experience in the mining industry. He spent nearly four years at Mount Gibson Iron Limited, where he held the position of Company Secretary and General Counsel. Prior to that, Mr Berg was an in-house lawyer with the Griffin Group of Companies and a senior associate in the corporate and resources group at Herbert Smith Freehills.

Chris Foley

Company Secretary
(Appointed 22 July 2014)

Mr Foley has over 25 years' experience in the resources sector in both private practice and various corporate roles including Company Secretary for ASX listed companies. He holds a Bachelor of Jurisprudence and a Bachelor of Laws from the University of Western Australia, as well as a Graduate Diploma in Applied Corporate Governance.

3. DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares of the Company as at 30 June 2015.

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Received During the Year on Exercise of Options or rights	Net Change Other	Closing Balance
Mr Kopejtka	3,344,624	-	-	280,087	3,624,711
Mr Caruso	800,000	750,000	-	-	1,550,000
Mr DeSouza	342,500	-	-	-	342,500
Mr McClements	-	-	-	32,071,910 (i)	32,071,910
Mr Richyal	-	-	-	-	-
Mr Featherby	-	-	-	51,524,736(ii)	51,524,736
Mr Young	-	-	-	-	-
	4,487,124	750,000	-	83,876,733	89,113,857

(i) Indirect holding in director related entity Resource Capital Fund
(ii) Indirect holding in director related entities Ochre Group Holding Ltd and Winterfell Pty Ltd

The following table sets out each Director's relevant interest in shares as at 30 June 2014.

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Received During Year on Exercise of Options	Net Change Other	Closing Balance
Mr Kopejtka	**1,275,000**	**-**	**-**	**2,069,624**	**3,344,624**
Mr Caruso	**-**	**-**	**750,000**	**50,000**	**800,000**
Mr van den Elsen (ii)	**309,984**	**-**	**-**	**(309,984)**	**-**
Mr DeSouza	**342,500**	**-**	**-**	**-**	**342,500**
	1,927,484	**-**	**750,000**	**1,809,640**	**4,487,124**

(i) As part of the acquisition of the Wonmunna Iron Ore Project, Ascot undertook a one-for-two share consolidation which completed on 6 June 2014. All numbers are stated on this basis.
(ii) Mr van den Elsen resigned on 6 August 2013.

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2015 are set out below:

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Net Other Change	Closing Balance	Not vested and not exercisable	Vested and exercisable
Mr Kopejtka	43,500,000	-	-	43,500,000	43,500,000	-
Mr Caruso	7,250,000	-	(750,000)	6,500,000	6,500,000	-
Mr DeSouza	-	-	-	-	-	-
Mr McClements	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-
Mr Featherby	-	-	-	-	-	-
Mr Young	-	-	-	-	-	-
	50,750,000	-	(750,000)	50,000,000	50,000,000	-

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2015 are set out below:

Company Directors and Related Parties	Opening Balance	Received as Remuneration	Net Other Change	Closing Balance	Not vested and not exercisable	Vested and exercisable
Mr Kopejtka	-	43,500,000	-	43,500,000	43,500,000	-
Mr Caruso	-	7,250,000	-	7,250,000	7,250,000	-
Mr DeSouza	225,000	-	(225,000)	-	-	-
	225,000	50,750,000	(225,000)	50,750,000	50,750,000	-

4. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

5. DIRECTORS' MEETINGS

The number of Director's meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Directors	Appointed/Resignation	Number Eligible to Attend	Number Attended
Paul Kopejtka	Appointed 10 December 2012	13	12
Andrew Caruso	Appointed 27 March 2013	13	13
Francis DeSouza	Appointed 21 September 2011	13	13
James McClements	Appointed 13 October 2014	8	8
Shahb Richyal	Appointed 13 October 2014	8	8
Nathan Featherby	Appointed 13 October 2014	8	6
Mike Young	Appointed 12 June 2015	0	0

For details of the function of the Board, please refer to the Corporate Governance Statement.

6. PRINCIPAL ACTIVITIES

The Company's principal activities during the year were iron ore and coal exploration and development, in Australia and Colombia.

7. OPERATING AND FINANCIAL REVIEW

Ascot is an Australian-based coal and iron ore exploration and development company with ventures in Colombia (coal) and Australia (iron ore).

Ascot's major assets are:

- 100% interest in the Wonmunna Iron Ore Project (Wonmunna). Wonmunna is located in the iron ore-rich Pilbara region, 70km northwest of Newman along the Great Northern Highway, and 365km south of Port Hedland. Ascot completed the acquisition of Wonmunna on 22 September 2014;
- 90% joint venture interest in the Titiribi Coal Project (Titiribi) located in the Department of Antioquia, Colombia. The Titiribi site is located 70km from the Department capital of Medellin, and is in close proximity to utilities and infrastructure.

The Operating and Financial Review should be read in conjunction with the financial statements, together with the basis of preparation included in Note 2 Summary of Significant Accounting Policies and other accompanying notes.

Ascot's Strategy

Ascot's strategy over the past year has been to seek to deliver strong, long-term, sustainable shareholder value through the acquisition and development of steelmaking raw material mining ventures in Australia and Colombia.

The Company's key focus in the period was:

- execute the Company's development strategy to position the Wonmunna project for funding and subsequent export of iron ore products;
- successfully advance the Titiribi coal project and position the project for future expansion to maximise returns for all stakeholders; and
- seek to acquire strategic interests in other steelmaking raw material projects in Colombia and Australia through new and existing corporate channels.

PROJECTS
Wonmunna Iron Ore Project

Ascot completed the acquisition of the Wonmunna Iron Ore Project from Ochre Group Holdings Ltd (Ochre) during 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.

Post-acquisition, Ascot have progressed key project approvals and technical work with the objective of positioning Wonmunna for future financing and development. Key approvals that have been obtained and technical works that have been progressed for the project include:

- The Department of Mining and Petroleum (DMP) granted Ascot's Native Vegetation Clearing Permit during October 2014, representing an important step towards obtaining necessary environmental approvals for the Project.
- Prefeasibility Study (PFS) completed February 2015
- The Company finalised its geotechnical drilling program, enabling the finalisation of mine designs and Ascot's Mining Proposal. The Mining Proposal was submitted to the DMP during November 2014 with an annexed Mine Closure Plan. Approval of the Mining Proposal and Mine Closure Plan was granted in March 2015.
- The Native Title Mining Agreement with the Nyiyaparli was finalised and executed by the parties in December 2014. Ascot completed all surveys required for heritage clearance of the proposed mining areas and application for clearance was made under s18 of the Aboriginal Heritage Act. The application was approved by the Department of Aboriginal Affairs in March 2015.
- Two Miscellaneous Licences have been granted for the project, one (L47/727) being approved for a haulage access road from the Great Northern Highway to M47/1424, and the other (L47/726) being approved for a camp access road from the Great Northern Highway to M47/1424.
- Ascot has tendered the Mining Services contract for the Project. This was completed at the end of 2014 for the PFS, and again in July 2015 to recognise the reductions in contractor prices in the iron ore industry over H1 2015. Market conditions for Iron Ore have deteriorated in H1 2015, with iron ore prices reaching their lowest levels in 6 years. This has led to significant efforts across the industry to minimize C1 (direct operating) costs. Ascot has been able to take advantage of a prevailing conducive contracting market to deliver significant reductions in project costings when compared against the Prefeasibility Study that was completed at the start of 2015.

Of significance, Ascot has progressed negotiations with a number of parties on a sales solution (including mine gate sales and direct port access) for the export of Wonmunna ore. Finalising a sales solution remains a key objective for Ascot in order to confirm a viable business case and position the project for potential future funding.

Titiribi Coal Project

During the period, Ascot considered opportunities to deliver value from its 90%-owned Titiribi project in the Antioquia region of Colombia, including the development of a small, artisanal operation to deliver high value coal to local markets. To complement that objective, Ascot continued to progress its submission for environmental (PMA) approval of a potential underground mine at Titiribi to the local regulator, CorAntioquia, and in consultation with Colombia's National Mining Agency (ANM). Ascot expects to make its final, updated submission for environmental approval for the Titiribi project in coming months.

Uraba Applications

In June 2015, Ascot agreed to pay $20,000 to purchase Carb Uraba SAS which holds three applications in the Uraba department in Colombia amounting to 6,000ha. Additionally, the Company entered into a Deed of Release and agreed to pay $30,000 to Hampshire Mining Pty Ltd for use of technical information and a 'first option' relating to the potential acquisition of a 90% interest in Carbones de Golfo, a company that holds coal interests in the Uraba department. The agreement released the Company from an obligation to pay $450,000.

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.

CORPORATE

Corporate Fundraising

As part of the Wonmunna Transaction, Ascot successfully completed an A$11.2 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.

Directors

- Messrs James McClements, Shahb Richyal and Nathan Featherby were appointed as Non-Executive Directors of Ascot on 13 October 2014. Mr McClements resigned on 21 September 2014.
- Mr Francis De Souza ceased as an Executive Director on 31 December 2014 but continues as a Non-Executive Director.
- Mr Mike Young was appointed as Non- Executive Director on 12 June 2015.
- Mr Chris Corbett was appointed as a Non-Executive Director on 21 September 2015.

FY15 Operating Results

The Company's operating loss after income tax for the year was $8,643,471 (2014: $4,247,091), which resulted in a basic loss per share of 7.72 cents, compared to 16.72 cents in the previous corresponding period (pcp).

The consolidated statement of cash flow shows a decrease in cash and equivalents during the year of $1,142,173 compared with a decrease of $1,122,132 in the pcp. As at 30 June 2015, the Company has cash and equivalents totalling $3,155,239.

The increase in the operating losses is mainly attributed to the increase in the share based payments expense $5,591,239 compared to $1,175,840 in the pcp. The increase relates amortisation of the 50 million executive incentives and the issue of 2,560,000 employee incentives during the year ending 30 June 2015.

During FY15, Ascot implemented a series of initiatives to reduce its working capital and corporate overhead costs in Colombia. In the absence of a marked improvement in global coal markets, the Company does not expect its revised corporate structure in Colombia to materially change and for costs in the region to increase.

Ascot will likely remain in exploration and development phase with respect to both the Titiribi and Wonmunna projects during the 2016 financial year, and therefore expects to incur ongoing losses until such time as either (or both) projects are in production and the Company is earning revenue. Securing project-related financing to ensure development progresses in line with the Company's expected timeframe remains a key risk.

For a detailed discussion of the risks associated with Ascot's future operating and financial performance refer to "*Factors and Business Risks that affect Future Performance*" below.

Asset and Capital Structure

As at 30 June 2015, convertible notes and their maturity dates are as follows:

Loan Note	Principal	Maturity Date
RCF – Note 1	$1,220,000	17 September 2015
Sedgman	$500,000	26 August 2015

In May 2015 RCF elected to convert a $400k unsecured loan note issued in December 2013 into ordinary fully paid shares in the Company at a conversion price of $0.12 per share.

On 26 August 2015 the Sedgman Loan note of $500,000 was paid in full.

FACTORS AND RISKS THAT AFFECT FUTURE PERFORMANCE

Ascot faces a number of key risks in reaching its stated goals of developing of the Wonmunna Iron Ore and Titiribi Coal projects, which in turn could potentially have a significant effect on future performance and long-term financial viability of the Company.

Capital Markets & Access to Funding

Ascot's ability to successfully develop its current suite of projects, as well as any acquired in future, is largely contingent on the Company's ability to fund these projects through successfully raising debt and/or equity capital. There is no guarantee that Ascot will be able to raise needed funds to continue executing its development strategy in relation to either the Wonmunna or Titiribi projects. However, the Company continues to actively explore project-related funding options and is in discussions with a range of relevant parties.

Commodity Prices

Commodity prices remain largely uncertain and their inherent volatility is affected by many factors beyond Ascot's control. Such factors include supply and demand fluctuations in coal and iron ore, forward selling activities, the level of production costs in major commodity-producing regions, and other macro-economic factors. To this end, the Company's assessment of short and long-term coal and iron ore prices will have a significant bearing on:

i. whether the Company will proceed to the construction phase of the Wonmunna or Titiribi projects; and
ii. the subsequent revenue derived from the projects.

Moreover, Ascot's view of pricing may also impact future project acquisitions in the steelmaking raw material space.

Exchange Rates

International prices of various commodities – including iron ore and coal – are denominated in United States dollars, whereas the income and majority of expenditure of Ascot in relation to the Wonmunna and Titiribi projects are, and will be taken into account in Australian currency, exposing Ascot to the fluctuations and volatility of the rate of exchange between the two currencies.

Access to infrastructure and facilities

Access to suitable infrastructure and export facilities, which may include road, rail and port, is critical for Ascot in the development of its projects. In relation to the Wonmunna Project, notwithstanding the proximity of the project to current and potential infrastructure, Ascot's ability to sell iron ore product into global seaborne markets will be contingent on gaining access to suitable export facilities from either third parties or at other locations within the Port Hedland Inner Harbour, on suitable commercial terms and within its proposed development timeframe.

Ascot's PFS for Titiribi (completed in early FY14) has examined both "Free On Board" Port Buenaventura (Colombia) and "Free Carrier" mine gate sales scenarios. The Port Buenaventura scenario is contingent on the Company establishing direct access to relevant infrastructure from third parties on suitable commercial terms.

There is no guarantee that the Company will be able to agree suitable commercial terms, or that there will be available capacity at existing infrastructure facilities to cater for planned future production.

Infrastructure risk can be significantly reduced by eliminating the need for port access through mine gate sales options. Notably, this will also transfer the responsibility for downstream logistics to the purchasing party(ies). Alternatively, Ascot could also consider the prospect of selling product at port gate, and independently manage the transport aspect of the sales' process.

Mining and Environmental approvals

Ascot will require mining and environmental approvals in order to construct, commission and operate both projects.

With respect to the Wonmunna Project, Ascot has been granted a Native Vegetation Clearing Permit (NVCP) from the DMP and has had its Mining Approval and Closure Plan approved which represents significant progress and a significant step towards being able to commence ground disturbing activities after potential financing has been obtained. Final environmental approvals, including the granting of Works Approval and an Operating License under Part V of the Environmental Protection Act for prescribed premises such as a crushing and screening plant will be required once the project is financed and is proceeding.

In addition, Ascot is progressing towards the finalisation of applications for mining (PMO) and environmental (PMA) approvals for submission to Colombia's CorAntioquia and National Mining Agency (ANM).

Mine Design

The shallow nature of the resource at Wonmunna and the intent to initially mine above water table (generally within 50m of surface) presents a conducive environment for low-cost and relatively simple open pit mining. Final mining, geotechnical and hydrological parameters were confirmed through mine planning work in the lead up to the final Mining Services tender for the establishment of mining costs for the project estimate. Changes to current pit designs and mine schedules are possible which may affect project cost estimates.

With respect to Titiribi, hydrological and geotechnical drilling is required to confirm the design parameters for the planned development at Titiribi. The results of this drilling could require a change of design which may lead to higher capital and operating mining costs and lower levels of mineable coal reserve.

Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by virtue of their inherent nature, Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may ultimately prove inaccurate.

As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in the alteration to development and mining plans, which in turn, may adversely or positively affect the viability of Ascot's Australian and Colombian assets.

Native Title Access and Mining Negotiations

In relation to the Wonmunna Project, Ascot has finalised separate Native Title Mining Agreements with the Ngarlawangga claimant group and Nyiyaparli claimant group to provide a basis for future engagement and compensation to the groups upon the commencement of mining. This provides a robust foundation for future interactions with claimant groups and Ascot's ongoing management of its obligations under these agreements will be crucial for successful outcomes.

Ascot must also comply with Aboriginal heritage legislation which stipulates the requirement for heritage survey work to be undertaken ahead of the commencement of mining operations. Whilst Ascot has completed heritage surveys with claimant groups for the intended project footprint and obtained consents under Section 18 of the Heritage Act, it is bound to comply with the conditions associated with those consents including the orderly and supervised relocation of heritage artefacts and implementation of cultural management initiatives prior to the commencement of any mining activity.

8. FINANCIAL RESULTS

The financial results of the Company for the year ended 30 June 2015 are:

	30-June-15	30-June-14
Cash and Equivalents (A$)	3,155,239	2,013,066
Net Assets (A$)	23,052,010	2,331,526
Revenue (A$)	87,540	52,413
Net loss after tax (A$)	(8,643,471)	(4,247,091)
Loss per share (A¢)	(7.72)	(16.72)
Dividend per share (A$)	-	-

9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Acquisition of the Wonmunna Iron Ore Project was completed on 22 September 2014.

10. AFTER BALANCE SHEET DATE EVENTS

Repayment of Sedgman $500,000 note occurred in full on 26th August 2015. On 21 September 2015, RCF's nominee on the Board of the Company, Mr James McClements, resigned as a Non-executive Director and was replaced by Mr Chris Corbett.

11. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Directors continue to actively seek and evaluate resource opportunities. Further information in respect to any potential opportunities and other developments affecting the Company will be made available to the market in accordance with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act.

12. ENVIRONMENTAL ISSUES

During the year the Company was not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Company. There were no ground disturbing activities conducted in Australia during the financial year.

13. OPTIONS

As the date of this report, the unissued ordinary shares of Ascot under option are as follows:

Date of Expiry	Exercise Price[1]	Number Under Option[1]
22/02/2016	$0.40	400,000
28/11/2016	$0.20	3,136,335

Notes:
(1) Both the exercise price and number under option are on a post-consolidation basis.

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other related body corporate.

14. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

15. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

16. NON-AUDIT SERVICES

The Board of Directors advises that there were no non-audit services provided by the Company auditors during the financial year.

17. REMUNERATION REPORT (Audited)

The remuneration report outlines the remuneration arrangements in place for Directors and key management personnel of the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations. The information in this report has been audited as required under section 308(3C) of the Corporations Act 2001.

For the purpose of this report, key management personnel of the Company are those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Directors of the Company.
The Directors and key management personnel whose remuneration arrangements are detailed in this report are as follows:

Paul Kopejtka	Executive Chairman
Andrew Caruso	Executive Director
James McClements	Non-Executive Director
Shahb Richyal	Non-Executive Director
Nathan Featherby	Non-Executive Director
Francis DeSouza	Non-Executive Director
Mike Young	Non-Executive Director

Remuneration Philosophy

Due to the size and scale of the Company's operations and the number of Directors, the Board has not established a separate committee to oversee the Company's remuneration policies for key management personnel. This role has instead been performed by the full Board.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. The performance of the Company therefore depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Company's broad remuneration policy is to ensure that remuneration packages properly reflect the duties and responsibilities of the relevant person and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

During the financial year the Board did not engage the services of a remuneration consultant to provide recommendations on remuneration for key management personnel.

Remuneration Structure

The Company has adopted best practice structures under which remuneration of Non-Executive Directors and Executives is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set the aggregate remuneration at a level which provides the Company with the flexibility to attract and retain Directors with skills that are relevant to the needs of the Company, whilst incurring a cost which is acceptable to Shareholders.

Structure and Approvals

The Company's Constitution and the ASX listing rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders. The latest determination was at the 2011 Annual General Meeting held on 18 November 2011 at which shareholders approved an aggregate remuneration of $300,000 per year (in accordance with the terms and conditions set out in the Explanatory Statement that accompanied the Notice of Meeting). The Board will not seek any increase for the Non-Executive Directors pool at the 2015 Annual General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The nature and amount of remuneration is collectively considered by the Board of Directors with reference to fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

Further details relating to remuneration of Non-Executive Directors are contained in the Remuneration Table disclosed in this Report; and within the Notes to the Financial Statements: Note 17 Reserves, Note 20 Share-Based Payments and Note 22 Key Management Personnel Disclosures.

Executive Remuneration

Objective

The Company aims to reward Executives having regard to the performance of the Company, the performance of the Executive and prevailing remuneration expectations in the market.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

The main objectives sought when reviewing Executive remuneration is that the Company has:

- coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- competitive remuneration benchmarked against the external market; and
- fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

Further details relating to remuneration of Executives are contained in the Remuneration Table disclosed in this Report and within the Notes to the Financial Statements: Note 22 Key Management Personnel Disclosures.

Fixed Remuneration

The components of the Executives' fixed remuneration are determined individually and may include:

- cash remuneration;
- superannuation;
- motor vehicle, parking and other benefits; and
- reimbursement of home office and telephone expenses.

Fixed remuneration of Executives is reviewed annually by the Board.

Variable Remuneration

Executives may receive variable remuneration in the form of an annual performance bonus of up to an agreed percentage of fixed remuneration (STI). No STI payment was made in the 2015 financial year.
It is anticipated that in future financial years, the payment of the STI will be linked to achievement of pre-agreed milestones set by the Board.

Wonmunna Executive Incentives

On 23 May 2014 a General Meeting of Shareholders of the Company approved the grant of 50,000,000 Executive Incentives to Paul Kopejtka and Andrew Caruso.

- The Executive Incentives are issued for no consideration. For the avoidance of doubt, the Executive Incentives are not issued under the Company's Employee Incentive Plan, but certain rules of the Plan may apply to the Executive Incentives as if they had been issued under the Plan.
- Subject to the Executive Incentive Terms, each Executive Incentive entitles the holder to subscribe for and be allotted one Share on exercise of the Executive Incentive.
- There is no exercise price payable upon exercise of each Executive Incentive.

The Executive Incentives are subject to the following vesting conditions:

Tranche A 15,000,000 *Non-market based condition*

- Approvals to commence mining are received.
- 'Approvals to commence mining' is defined as Ascot or its subsidiary obtaining:
  - written approval from the DMP to commence mining under the Mining Act
  - any other statutory and environmental approvals, permits or licences as required by other Government agencies before mining should begin.

Tranche B 15,000,000 *Non-market based condition*

- Commencement of mine pre-stripping i.e. defined as 'breaking ground'
- Upon granting of an approval to mine by the DMP, the 'commencement of mine prestripping' would be defined as the first disturbance and excavation of either one of the following types of 'surface material' to a designated stockpile, waste dump or civil works location on any one of the Mining Leases:
  - Topsoil and vegetation
  - Overburden
- 'Surface material' is any material that is required to be removed to access any part of the Ore Reserve

- 'Surface material' does not include material required to be excavated to facilitate exploration, resource, geotechnical or hydrological drilling.

Tranche C 20,000,000 *Non-market based condition*

- First product sales are achieved.
- 'First product sale' is defined as the completion of the first sale of product to a purchaser (ascertained at the time title to the product passes to the purchaser) at the designated 'sale location'.
- 'Sale location' is defined as any agreed loading point within or outside the Mining Leases.

Employee Incentive Plan

During the 2013 financial year, the Company established the Ascot Resources Limited Employee Incentive Plan (Incentive Plan) which provides the Company with the flexibility to issue Incentives in the form of either options or performance rights which may ultimately vest into Shares. In contrast to an option, a performance right does not have an exercise price and therefore allows an employee to benefit by exercising their performance right upon satisfaction of applicable vesting conditions without needing to provide any cash consideration. The inclusion of the flexibility to grant performance rights under employee incentive plans is a current trend amongst the Company's ASX-listed peer group.

The Incentive Plan forms an important part of the Company's remuneration strategy and is specifically aimed at driving long term performance for shareholders, a culture of employee share ownership and retention of executives, employees and staff. A total of 2,560,000 incentives were issued under the Executive Incentive plan during the year ending 30 June 2015.

Service Agreements

As at the date of this report, the Company had service agreements with the following executives:

Andrew Caruso

The key terms of Mr Caruso's contract include:

- Commencement 7 January 2013 with no set term;
- Annual bonus of up to 35% of Annual Salary, subject to meeting pre-agreed milestones;
- If the Company wishes to terminate the contract other than if Mr Caruso commits any act of serious misconduct, the Company is obliged to give 6 months written notice or pay out 6 months Annual Salary;
- If Mr Caruso wishes to terminate the contract he must provide six months' notice.

Paul Kopejtka

The key terms of Mr Kopejtka's contract include:

- Commencement 18 March 2014 with no set term;
- Annual bonus of up to 35% of Annual Salary, subject to meeting pre-agreed milestones and at the Boards absolute discretion;

- If the Company wishes to terminate the contract other than if Mr Kopejtka commits any act of serious misconduct, the Company is obliged to give 6 months written notice or pay out 6 months Annual Salary;
- If Mr Kopejtka wishes to terminate the contract he must provide six months' notice.

Remuneration of Key Management Personnel for the year ended 30 June 2015

Details of the nature and each element of the emoluments of each Director and key management personnel of the Company for the years ended 30 June 2015 and 2014 are set out in the following tables.

30-Jun-15	Short-term employee benefits				Post-employment benefits	Share-based payments		Percentage of remuneration consisting of incentives for the year (%)
	Salary & fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Executive incentives $	Total $	
Directors								
Mr Kopejtka	259,000	-	4,404	-	24,218	4,670,923	4,958,545	94%
Mr Caruso	300,000	-	4,404	-	28,063	697,954	1,030,421	68%
Mr DeSouza (i)	49,000	-	-	109,026	4,532	-	162,558	-
Mr McClements	-	-	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-	-	-
Mr Featherby	-	-	-	-	-	-	-	-
Mr Young	-	-	-	-	-	-	-	-
Sub-total	608,000	-	8,808	109,026	56,813	5,368,877	6,151,524	
Other Key Management								
None	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Total	**608,000**	**-**	**8,808**	**109,026**	**56,813**	**5,368,877**	**6,151,524**	**-**

(i) Mr De Souza was an executive director and earned a salary from 10 October 2014 until 31 December 2014. The 'Other' amount of $109,026 relates to consultancy services incurred during the year ending June 30 2014 and from 1 July 2014 to 9 October 2014 and subsequently paid during the year ending 30 June 2015.

30-Jun-14	Short-term employee benefits				Post-employment benefits	Share-based payments		
	Salary & fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Executive incentives $	Total $	Percentage of remuneration consisting of incentives for the year (%)
Directors								
Mr Kopejtka (i)	141,665	-	4,276	-	13,128	710,343	869,412	82%
Mr Caruso (ii)	300,000	-	4,276	-	27,752	346,157	678,185	51%
Mr van den Elsen (iii)	3,581	-	-	-	-	-	3,581	-
Mr DeSouza	36,000	-	-	-	3,330	-	39,330	-
Sub-total	481,246	-	8,552		44,210	1,056,500	1,590,508	
Other Key Management								
None	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Total	**481,246**	**-**	**8,552**		**44,210**	**1,056,500**	**1,590,508**	**-**

(ii) Mr Kopejkta was appointed Managing Director on 29 July 2013, and Executive Chairman on 18 March 2014.

(iii) Mr Caruso was appointed as Executive Chairman and Chief Executive Officer on 29 July 2013, and Managing Director on 18 March 2014.

(iv) Mr van den Elsen resigned on 6 August 2013.

Options granted as part of remuneration for the year ended 30 June 2015

There were no options granted to key management personnel during the year ended 30 June 2015 and there were no options granted from a previous year that were exercised or lapsed during the financial year ended 30 June 2015.

Executive incentives granted as part of remuneration for the year ended 30 June 2015

There were no executive incentives granted to key management personnel during the year ended 30 June 2015 and there were no options granted from a previous year that were exercised or lapsed during the financial year ended 30 June 2015.

Shares issued on exercise of options for the year ended 30 June 2015

On 7 July 2014, in accordance with Mr Caruso's contract of employment 750,000 shares were issued to Andrew Caruso as he remained continuously employed by the Company to that date.

Adoption of Remuneration Report by Shareholders

The adoption of the Remuneration Report for the financial year ended 30 June 2014 was put to the shareholders of the Company at the Annual General Meeting of held 27 November 2014. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

18. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2015 has been received and can be found on page 68 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Paul Kopejtka
Executive Chairman
Perth, Western Australia
21 September 2015

CORPORATE GOVERNANCE

The Board of Ascot has adopted a Corporate Governance Plan for the purpose of implementing appropriate corporate governance of the Company.

A Corporate Governance Statement commenting on the Company's current corporate governance regime and the extent to which it is consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations) is available on the Company's website at www.ascotresources.com . The ASX Principles and Recommendations are not mandatory and instead represent "best practice".

	Notes	30-Jun-15	30-Jun-14
		$	$
Continuing operations			
Revenue and other income	6	**87,540**	52,413
Gain on payment of deferred consideration		**-**	209,000
Directors fees and other benefits		**(18,000)**	(63,647)
Share-based payments	20	**(5,591,239)**	(1,175,840)
Professional & Consulting Fees		**(240,946)**	(486,294)
Employment expense		**(1,113,963)**	(1,144,128)
Impairment of exploration and evaluation expenditure	13	**-**	(46,833)
Exploration Expenditure (Wonmunna)		**-**	(473,702)
Other expenses	7	**(1,766,863)**	(1,118,060)
Loss before income tax		**(8,643,471)**	(4,247,091)
Income tax expense	8	**-**	-
Loss after income tax		**(8,643,471)**	(4,247,091)
Loss for the year attributable to:			
Members of the parent entity		**(8,643,471)**	(4,247,091)
Total loss from continuing operations		**(8,643,471)**	(4,247,091)
Other comprehensive income			
Items that may in the future be transferred to profit and loss			
Exchange differences on translating foreign operations	17	**(49,160)**	9,871
Total other comprehensive loss for the year		**(8,692,631)**	(4,237,220)
Total comprehensive loss for the year attributable to:			
Members of the parent entity		**(8,692,631)**	(4,237,220)
		(8,692,631)	(4,237,220)

		Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss per share – cents per share	18	**(7.72)**	(16.72)
Diluted loss per share – cents per share	18	**(7.72)**	(16.72)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share – cents per share	18	**(7.72)**	(16.72)
Diluted loss per share – cents per share	18	**(7.72)**	(16.72)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 28 to 64.

	Notes	30-Jun-15	30-Jun-14
			$
Current Assets			
Cash & cash equivalents	9	**3,155,239**	2,013,066
Trade & other receivables	10	**-**	14,916
Other assets	11	**68,362**	64,778
Total Current Assets		**3,223,601**	2,092,760
Non-Current Assets			
Plant & equipment	12	**34,441**	56,790
Exploration & evaluation expenditure	13	**38,389,097**	5,317,387
Total Non-Current Assets		**38,423,538**	5,374,177
TOTAL ASSETS		**41,647,139**	7,466,937
Current Liabilities			
Trade & other payables	14	**483,829**	2,325,551
Interest bearing loans and borrowings	15	**1,718,530**	2,266,909
Total Current Liabilities		**2,202,359**	4,592,460
Non-Current Liabilities			
Other Payables	14	**16,314,239**	-
Interest bearing loans & borrowings	15	**-**	493,193
Provisions		**78,531**	49,758
Total Non-Current Liabilities		**16,392,770**	542,951
TOTAL LIABILITIES		**18,595,129**	5,135,411
NET ASSETS		**23,052,010**	2,331,526
Equity attributable to the equity holders of the Company			
Contributed equity	16	**32,381,079**	8,366,925
Reserves	17	**6,925,676**	1,575,875
Accumulated losses		**(16,279,998)**	(7,636,527)
Non-controlling interest		**25,253**	25,253
TOTAL EQUITY		**23,052,010**	2,331,526

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 28 to 64.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2015

	Issued Capital	Share-based Payment Reserve	FX Translation Reserve	Accumulated Losses	Non-controlling interest	Total Equity
	$	$	$	$	$	$
At 1 July 2014	**8,366,925**	**1,570,500**	**5,375**	**(7,636,527)**	**25,253**	**2,331,526**
Comprehensive income:						
Loss for the year	-	-	-	(8,643,471)	-	(8,643,471)
Other comprehensive income/(loss) for the year	-	-	(49,160)	-	-	(49,160)
Total comprehensive loss for the year	-	-	(49,160)	(8,643,471)		(8,692,631)
Transactions with owners in their capacity as owners:						
Issue of share capital	23,821,876	-	-	-		23,821,876
Share-based payments	-	5,591,239	-	-		5,591,239
Transfer to share capital	192,278	(192,278)	-	-		-
Non-controlling interest	-	-	-	-		-
At 30 June 2015	**32,381,079**	**6,969,461**	**(43,785)**	**(16,279,998)**	**25,253**	**23,052,010**

	Issued Capital	Share-based Payment Reserve	FX Translation Reserve	Accumulated Losses	Non-controlling interest	Total Equity
	$	$	$	$	$	$
At 1 July 2013	**4,799,774**	**587,208**	**(4,496)**	**(3,389,436)**	**25,253**	**2,018,303**
Comprehensive income:						
Loss for the year	-	-	-	(4,247,091)	-	(4,247,091)
Other comprehensive income/(loss) for the year	-	-	9,871	-	-	9,871
Total comprehensive loss for the year	-	-	9,871	(4,247,091)	-	(4,237,220)
Transactions with owners in their capacity as owners:						
Issue of share capital	3,374,603		-	-	-	3,374,603
Share-based payments	-	1,175,840	-	-	-	1,175,840
Transfer to share capital	192,548	(192,548)	-	-	-	-
Non-controlling interest	-	-	-	-	-	-
At 30 June 2014	**8,366,925**	**1,570,500**	**5,375**	**(7,636,527)**	**25,253**	**2,331,526**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 28 to 64.

	Notes	30-Jun-15	30-Jun-14
		$	$
Cash flows used in operating activities			
Receipts from customers		-	40,008
Payment to suppliers & employees		(3,648,036)	(2,780,567)
Interest received		87,541	12,405
Interest paid		(23,229)	(41,885)
Net cash flows used in operating activities	9	(3,583,724)	(2,770,039)
Cash flows used in investing activities			
Payment for plant & equipment		(6,637)	(822)
Payment for exploration & evaluation expenditure		(5,153,919)	(1,269,277)
Net cash flows used in investing activities		(5,160,556)	(1,270,099)
Cash flows from financing activities			
Proceeds from share issues		10,536,453	2,232,270
Subscription received in advance		-	1,380,000
Proceeds from issue of convertible note		-	1,550,000
Repayment of convertible note		(650,000)	-
Net cash flows from financing activities		9,886,453	5,162,270
Net increase in cash and cash equivalents		1,142,173	1,122,132
Cash and cash equivalents at beginning of year		2,013,066	890,934
Cash and cash equivalents at end of year	9	3,155,239	2,013,066

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 28 to 64.

1 REPORTING ENTITY

Ascot Resources Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The Company is a for profit entity. The address of its registered office and principal place of business is disclosed in the Corporate Directory of the annual report. The financial statement of the Company and its controlled entities is for the financial year ended 30 June 2015.

The nature of the operations and principal activities of the Company and its controlled entities are described in the Directors' Report.

2 BASIS OF PREPARATION

a) Statement of compliance

The financial report is a general purpose consolidated financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were approved by the Board of Directors on 21 September 2015.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

d) Comparatives

Prior period comparatives are for the period from 1 July 2013 to 30 June 2014.

e) New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

f) Early adoption of standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014. For further information refer to Note 4.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

a) Going concern

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis, and, if so, the basis used is disclosed.

The Company is focused on keeping the administrative costs of the Company to a minimum which includes only one Non-Executive Director earning and director fees.

The Company is pursuing all avenues for funding and expects to be able to raise funds in the upcoming financial year.

The Statement of Comprehensive Income shows the Company incurred a net loss of $8,643,471 during the year ended 30 June 2015. The Statement of Financial Position as at 30 June 2015 shows that the Company had cash and cash equivalents of $3,155,239 and net assets of $23,052,010.

b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which the parent has the power to control the financial and operating policies so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Non-controlling interests in the result~~s~~ of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

c) Revenue recognition

Interest Revenue
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income
Rental income is recognised on a straight line basis over the term of the lease. Rental income is recognised as other income.

d) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities shall be offset only if:

a) there is a legally enforceable right to set-off current tax assets against current tax liabilities; and
b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or
    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

e) Other taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

f) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interests in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement or any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently measured to fair value with changes in fair value recognised in profit or loss.

g) Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

i) Plant and equipment

(i) Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income using a straight line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current financial year are as follows:

- Plant and equipment: 3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

j) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) The rights to tenure of the area of interest are current; and
(ii) At least one of the following conditions is also met:

a) The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
b) Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then classified to development.

k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

l) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Earnings per share

(i) Basic earnings per share:
Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

n) Investments and other financial assets

Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans and receivables
Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 10) in the Statement of Financial Position.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial Assets – reclassification

The Company may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivable and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expense in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Company's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 18 Financial Risk Management.

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

ii) Assets classified as available-for-sale
If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

o) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period where appropriate; and
- All resulting exchange differences are recognised as a separate component of equity.

p) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of the Company ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors' best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with

the company until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the Statement of Comprehensive Income. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

q) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Exploration & Evaluation Expenditure (refer Note 13)
The Company's accounting policy for exploration and evaluation is set out in note 3(j) above. If, after having capitalised expenditure under this policy, the Directors conclude that the Company is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

(ii) Share-Based Payments (refer Note 20)
The Company measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

(iii) Deferred Consideration (refer Note 14)
Deferred consideration forms part of the Wonmunna iron ore project acquisition with Ochre Group Holdings Ltd and is revalued each reporting period using net present value method based on the expected date of the first shipment of ore.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued new standards, amendments and interpretations to existing standards which have been published but are not yet effective, and have not been adopted early by the Company. The new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements are provided below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets	1 January 2018

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 15 Revenue from Contracts with Customers AASB 15: - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics - expands and improves disclosures about revenue.	1 January 2017

The abovementioned new standards and interpretations are not expected to have a material impact on the Company's financial statements.

5 SEGMENT INFORMATION

1. OPERATING SEGMENTS

The AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker.

The Company engages in the business of iron ore and coal exploration and evaluation in Australia and Colombia respectively and management identifies its operating segments based on geographical location. The Company's two operating segments are:

1. Colombia – Prospective coal permits; and
2. Australia – Prospective iron ore permits

During the twelve (12) month period to 30 June 2015 the Company purchased Wonmunna Iron Ore permits and now operates in two segments compared to the single segment of operation at 30 June 2014.
The revenues and loss generated by each of the Company's operating segments and segment assets are summarised as follows:

Twelve (12) months to 30 June 2015	Colombia	Australia	Total
	$	$	$
Revenue	-	87,540	87,540
Segment operating loss	-	(8,643,471)	(8,643,471)
Segment Assets	5,836,241	35,810,898	41,647,139
Segment Liabilities		18,595,129	18,595,129

The Company's segment operating profit reconciles to the Company's profit before tax as presented in its financial statements as follows:

	30-Jun -15	30-Jun-14
	$	$
Revenue	**87,540**	52,413
Gain on payment of deferred consideration	-	209,000
Directors fees and other benefits	**(18,000)**	(63,647)
Share-based payments	**(5,591,239)**	(1,175,840)
Professional & Consulting Fees	**(240,946)**	(486,294)
Employment expense	**(1,113,963)**	(1,144,128)
Impairment of exploration and evaluation expenditure	-	(46,833)
Exploration Expenditure	-	(473,702)
Other expenses	**(1,766,863)**	(1,118,060)
Total operating profit	**(8,643,471)**	(4,247,091)

6 REVENUE AND OTHER INCOME

	30-Jun-15	30-Jun-14
Revenue	$	$
Interest income	**87,540**	12,405
Other income	-	40,008
Total revenue and other income	**87,540**	52,413

7 OTHER EXPENSES

	30-Jun-15	30-Jun-14
	$	$
Expenses		
Depreciation expenses	**18,487**	16,305
Administration costs	**358,554**	337,222
Travel expenses	**23,722**	139,715
Compliance and regulatory expenses	**86,341**	70,994
Financing expenses	-	122,498
Exchange loss	**23,801**	65,758
Interest	**1,255,958**	365,567
Total expenses	**1,766,863**	1,118,060

8 INCOME TAX EXPENSES

	30-Jun-15	30-Jun-14
(a) Income tax expense	$	$
The components of income tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss)	**30-Jun-15**	30-Jun-14
	$	$
Accounting loss before tax	**(8,643,471)**	(4,247,091)
Prima facie tax payable/(benefit) at Australian rate of 30% (2014: 30%)	**(2,591,270)**	(1,274,127)
Prima facie tax payable/(benefit) at Spanish rate of 30% (2014: 30%)	**(1,771)**	(1,525)
Adjusted for tax effect of the following amounts:		
Non-deductible/taxable items	**1,863,939**	891,156
Non-taxable/deductible items	**-**	(62,700)
Prior year adjustment	**-**	114,251
Tax benefits not brought to account	**729,102**	332,945
Income tax expense/(benefit)	**-**	-

(c) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at the Australian corporate tax rate of 30% are made up as follows:

	30-Jun-15	30-Jun-14
	$	$
On income tax account:		
Carried forward tax losses	**3,923,667**	927,045
Deductible temporary differences	**502,189**	107,002
Taxable temporary differences	**(2,670,516)**	-
	1,755,340	1,034,047

The Company estimates it has accumulated income tax losses of $3,923,667 (2014: $927,045). The benefit of these losses and timing difference will only be obtained if:

- The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- The Company continues to comply with the conditions for deductibility imposed by law; and
- No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

9. CASH & CASH EQUIVALENTS

	30-Jun-15	30-Jun-14
	$	$
Cash at bank and in hand	**3,105,239**	1,963,066
Short-term deposit	**50,000**	50,000
	3,155,239	2,013,066

Reconciliation of net loss after income tax to net cash flows used in operating activities

	30-Jun-15	30-Jun-14
	$	$
Net loss after income tax	**(8,643,471)**	(4,247,091)
Adjustments for:		
Depreciation	**18,487**	16,305
Share-based payments (Refer Note 20)	**5,591,239**	1,175,840
Impairment of exploration & evaluation expenditure	**-**	46,833
Net foreign exchange differences	**(14,735)**	65,758
Establishment fee paid in shares	**-**	122,498
Interest paid in shares	**323,435**	323,604
Other items paid in shares	**34,156**	43,211
Gain on payment of deferred consideration	**-**	(209,000)
Capitalised Interest	**908,786**	-
Change in assets and liabilities		
(Increase)/decrease in trade & other receivables	**14,916**	36,212
(Increase)/decrease in other assets	**(3,588)**	(39,647)
Increase/(decrease) in trade & other payables	**(1,841,722)**	(127,271)
Increase/(decrease) in provisions	**28,773**	22,709
Net cash flows used in operating activities	**(3,583,724)**	(2,770,039)

10. TRADE & OTHER RECEIVABLES

	30-Jun-15	30-Jun-14
	$	$
Other receivables	-	14,916
	-	14,916

(a) Trade receivables past due but not impaired

There were no trade receivables past due but not impaired.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 19 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

11. OTHER ASSETS

	30-Jun-15	30-Jun-14
	$	$
Deposits	**-**	47,534
Prepayments	**68,362**	17,244
	68,366	64,778

12. PLANT & EQUIPMENT

	30-Jun-15	30-Jun-14
	$	$
Office Equipment		
At cost	**65,447**	66,813
Accumulated depreciation	**(39,374)**	(22,638)
Total office equipment	**26,073**	44,175

	30-Jun-15	30-Jun-14
	$	$
Fixtures & Fittings		
At cost	**10,466**	13,790
Accumulated depreciation	**(2,098)**	(1,175)
Total Fixtures & Fittings	**8,368**	12,615

	Office Equipment	**Fixtures & Fittings**	**Total**
	$	**$**	**$**
2015			
Balance at the beginning of the year	**44,175**	**12,615**	**56,790**
Additions/disposals	**(620)**	**(3,242)**	**(3,862)**
Depreciation expense	**(17,482)**	**(1,005)**	**(18,487)**
Carrying amount at the end of the year	**26,073**	**8,368**	**34,441**

	Office Equipment	**Fixtures & Fittings**	**Total**
2014	**$**	$	$
Balance at the beginning of the year	58,634	13,639	72,273
Additions/disposals	822	-	822
Depreciation expense	(15,281)	(1,024)	(16,305)
Carrying amount at the end of the year	44,175	12,615	56,790

13. EXPLORATION & EVALUATION EXPENDITURE

	30-Jun-15	30-Jun-14
	$	$
Carrying amount of exploration & evaluation expenditure	38,389,097	5,317,387

	30-Jun-15	30-Jun-14
	$	$
Movement during the year		
Balance at the beginning of the year	5,317,387	4,247,515
Additions	33,071,710	1,116,705
Impairment	-	(46,833)
Carrying amount at the end of the year	38,389,097	5,317,387

14. TRADE & OTHER PAYABLES

Current

	30-Jun-15	30-Jun-14
	$	$
Trade and sundry creditors (a)	483,829	809,965
Subscriptions received in advance	-	1,380,000
Accruals (b)	-	135,586
	483,829	2,325,551

a) Trade and sundry creditors are non-interest bearing and are predominantly settled on 30-day terms.
b) Accruals are non-interest bearing and are predominantly settled on 30-day terms.

Non-Current

	30-Jun-15	30-Jun-14
	$	$
Stamp Duty Accrual	1,700,000	-
Deferred Consideration (i)	13,705,453	-
Accrued Interest	908,786	-
Total	16,314,239	-

(i) Deferred consideration forms part of the Wonmunna iron ore project acquisition with Ochre Group Holdings. Under a Sale and Purchase Agreement signed 3 July 2014 Ascot Resources owes Ochre Group Holdings an amount of $19.95m payable 5 years from the first shipment of ore. Interest is accrued on a semi-annual basis at 5.88% (capitalised till the earlier of 24 months post the completion of the agreement or first shipment of ore). Deferred Consideration is revalued each reporting period using net present value method.

15. INTEREST BEARING LOANS & BORROWINGS

Current

	30-Jun-15	30-Jun-14
	$	$
Convertible Note – RCF (c)	**1,219,609**	1,619,180
Convertible Note – Sedgman Ltd (b)	**498,921**	-
Convertible Note – Kopejtka (a)	**-**	647,729
	1,718,530	2,266,909

Non-Current

	30-Jun-15	30-Jun-14
	$	$
Convertible Note – Sedgman (b)	**-**	493,193
	-	493,193

(a) During July 2013, the Company entered into a loan note agreement with an entity associated with Mr Paul Kopejtka, for the issue of a 1-year unsecured loan note ('the Kopejtka Note') raising A$650,000. The Kopejtka Note is on broadly the same terms as the Resource Capital Funds V L.P ('RCF') May 2013 Note and is convertible at the election of the noteholder into fully-paid ordinary shares in the Company at a conversion price of A$0.36 per share.

The Kopejtka Note carries a coupon rate of 14% per annum, payable quarterly in arrears. At the noteholder's election, coupons may be paid in the form of Ascot shares, cash or a combination of shares and cash, with any shares issued being priced at a 5% discount to prevailing market prices.

The Company held an extraordinary general meeting on 31 October 2013, at which the requisite shareholder approvals were obtained to enable conversion of the Kopejtka Note. The Company has the ability to redeem the Kopejtka Note after 2 months from the date of issue by giving the requisite notice to the noteholder.

The Kopejtka Note was repaid in full on 2 February 2015.

(b) During August 2013, Sedgman Limited ('Sedgman') agreed to make a A$1,000,000 strategic investment in the Company.

Sedgman's investment in the Company is comprised of:

- A$500,000 by way of a direct share placement under which Sedgman subscribed for 5,000,000 shares at $0.10 per share; and
- A$500,000 by way of a 2 year, unsecured loan note (the "Sedgman Note").

On completion of the share placement and issue of the note, Sedgman became the Company's largest shareholder, with a relevant interest in approximately 13.8% of the Company's shares. In recognition of Sedgman's investment, the Company agreed that Sedgman may nominate a director to the Board, and will retain this right whilst Sedgman continues to hold a relevant interest in at least 10% of the Company's issued capital. As at the date of this report, Sedgman had not yet nominated a director to the Board.

The terms of the Sedgman Note are substantially similar to the RCF May 2013 Note and the Kopejtka Note. Subject to the Company obtaining requisite shareholder approvals, the Sedgman Note will be convertible at the election of the noteholder into fully paid ordinary shares in the Company at a conversion price of A$0.36 per share and carries a coupon rate of 14% per annum, payable quarterly in arrears. At the Company's election, coupons may be paid in the form of shares, cash or a combination of cash and shares, with any shares issued being priced at a 5% discount to prevailing market prices.

The Company held an extraordinary general meeting on 31 October 2013, at which the requisite shareholder approvals were obtained to enable conversion of the Sedgman Note. The Company has the ability to redeem the Note after 6 months from the date of issue of the Note by giving the requisite notice to the noteholder.

The Sedgman Note was repaid in full, post balance date, on 26 August 2015.

(c) During May 2013, the Company entered into a loan note agreement with Resource Capital Fund V L.P ('RCF') for the issue of a 2-year unsecured loan note raising A$1,000,000. The Note is convertible at RCF's election into ordinary fully paid shares in the Company at a conversion price of A$0.36 per share.

The Company has the ability to redeem the RCF Note on or after 9 May 2014 by giving the requisite notice to RCF. The RCF Note carries a coupon rate of 14% per annum, payable quarterly in arrears. At the Company's election, coupons can be paid in the form of Ascot Resources Ltd shares, cash or a combination of shares and cash, with any shares issued being priced at a 5% discount to prevailing market prices.

The Company held an extraordinary general meeting on 4 July 2013, at which the requisite shareholder approvals were obtained to enable conversion of the RCF Note.

During December 2013, the Company entered into a second loan note agreement with RCF for the issue of a 17-month unsecured loan note raising A$400,000. The Note is convertible at RCF's election into fully paid ordinary shares in the Company at a conversion price of $0.12 per share. Shareholder approval for the convertible note was granted at the Extraordinary General Meeting held on 23 May 2014.

The Company has the ability to redeem the Note on or after 9 May 2014 by giving the requisite notice to RCF. The Note carries a coupon rate of 14% per annum, payable quarterly in arrears. At the Company's election, interest may be paid in the form of Ascot shares, cash or a combination of cash and shares, with any shares issued being priced at a 5% discount to prevailing market prices.

RCF note for $400,000 was converted at $0.12 per share on 21 May 2015.

16. CONTRIBUTED EQUITY

Share Capital

	30-Jun-15		30-Jun-14	
	$	**No.**	$	No.
Fully paid ordinary shares	**32,381,079**	**137,588,776**	8,366,925	38,763,603

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote per share when a poll is called, otherwise each shareholder has one vote on a show of hands.

At 30 June 2015 there were 137,588,776 fully paid ordinary shares on issue. There are no preference shares on issue.

Movement in ordinary shares on issue	**$**	**No.**	**Issue price per ordinary share**
Balance at 30 June 2013	**4,799,774**	**33,613,456**	
Shares issued to Sedgman Ltd (a)	500,000	5,000,000	$0.10
Shares issued to Sedgman Ltd (b)	22,498	376,538	$0.06
Shares issued to Resource Capital Funds (c)	45,317	646,461	$0.07
Shares issued to Sedgman Ltd (c)	7,268	103,674	$0.07
Shares issued via share placement (d)	282,270	6,272,670	$0.05
Shares issued to Pursuit Capital (e)	52,097	947,215	$0.06
Shares issued to Resource Capital Funds (f)	25,000	507,037	$0.05
Equity Portion of RCF Convertible Notes	297	-	-
Equity Portion of Kopejtka Convertible Note	10,013	-	-
Equity Portion of Sedgman Convertible Note	14,264	-	-
Share Issue Costs	(52,097)	-	-
Shares issued to Resource Capital Funds (g)	45,199	742,184	$0.06
Shares issued to Sedgman Ltd (g)	17,644	289,874	$0.06
Executive incentives issued to Ascot Equities (h)	741,000	9,500,000	$0.08
Executive incentives issued to Andrew Caruso (i)	192,548	1,500,000	$0.13
Shares issued to Serviminco (j)	20,461	262,326	$0.08
Shares issued to Resource Capital Funds (k)	825,000	10,853,568	$0.08
Shares issued to Resource Capital Funds (l)	55,923	621,201	$0.09
Shares issued to Sedgman Ltd (l)	17,260	191,729	$0.09
Shares issued to Kopejtka (l)	22,439	249,247	$0.09
Shares issued to employee (m)	22,750	250,000	$0.09
Total at 2 June 2014	**7,666,925**	**71,927,180**	

2 for 1 share consolidation	**7,666,925**	**35,963,603**	
Shares issued via share placement (n)	500,000	2,000,000	$0.25
Shares issued via share placement(n)	200,000	800,000	$0.25
Balance at 30 June 2014	**8,366,925**	**38,763,603**	
RCF May 13 Loan Note Interest - Qtr end 30 Jun 14 (o)	42,589	217,960	$0.20
RCF Dec 13 Loan Note Interest - Qtr end 30 Jun 14 (o)	13,955	71,463	$0.20
SDM Loan Note Interest - Qtr ended 30 Jun 14 (o)	17,455	89,328	$0.20
Andrew Caruso - Executive Incentives (p)	192,548	750,000	$0.26
Shares issued via share placement (n)	355,000	1,420,000	$0.25
Shares issued via share placement (n)	250,000	1,000,000	$0.25
Issue to Ochre Group Holdings (q)	12,500,000	50,000,000	$0.25
Issue to RCF (r)	4,700,809	18,803,235	$0.25
Issue to Gunvor (r)	4,906,453	19,625,811	$0.25
Shares issued via share placement (t)	34,156	184,626	$0.19
Kopejtka Loan Note Interest - 30 Sept 14 Qtr (s)	22,937	120,912	$0.19
RCF May 13 Loan Note Interest - 30 Sept 14 Qtr (s)	14,115	74,408	$0.19
SDM Loan Note Interest - 30 Sept 14 Qtr (s)	17,644	93,010	$0.19
Shares issued via share placement (n)	25,000	100,000	$0.25
RCF May 13 loan note interest Sept 14 Qtr (s)	44,009	276,263	$0.16
Tranche 2 shares (u)	299,191	1,196,765	$0.25
RCF May & Dec 13 loan note interest Dec 14 Qtr (v)	57,193	396,932	$0.14
Kopejtka Loan Note Interest – Dec 14 Qtr (v)	22,921	159,175	$0.14
SDM Loan Note Interest – Dec 14 Qtr (v)	17,632	122,442	$0.14
RCF May 13 loan note interest Mar 15 Qtr (w)	55,923	542,418	$0.10
SDM Loan Note Interest – Mar 14 Qtr (w)	17,260	167,413	$0.10
Conversion of RCF Dec 13 Loan note (x)	400,000	3,333,334	$0.12
RCF May 13 loan note interest Mar 15 Qtr (y)	7,364	79,678	$0.09
	$32,381,079	**137,588,776**	

(a) Issued under the terms of the Loan Note Agreement between the Company and Sedgman Limited ('Sedgman') in relation to the share placement component of Sedgman's investment in the Company.

(b) Issued under the terms of the Loan Note Agreement between the Company and Sedgman in lieu of an establishment fee.

(c) Issued under the terms of the Loan Note Agreements between the Company and Resource Capital Fund.
V L.P. ('RCF') and Sedgman as payment of interest for the quarter ending 30 September 2013. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.

(d) Issued to sophisticated and professional investors in relation to the share placement completed on 13 November 2013.

(e) Issued as part consideration payable to Pursuit Capital Pty Ltd for acting as lead manager in the share placement completed on 13 November 2013.
(f) Issued under the terms of the second Loan Note Agreement between the Company and RCF as payment of the Loan Note establishment fee. The number of shares issued was calculated by reference to the $25,000 establishment fee and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the Financing Term Sheet was entered into, at a 5% discount.
(g) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 31 December 2013. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
(h) Issued to Ascot Equities on successful completion of milestone 1 under the executive incentive scheme.
(i) Issued to Andrew Caruso on successful completion of milestone 1 under the executive incentive scheme.
(j) Issued to Servminco pursuant to the terms of a consultancy agreement
(k) Issued under the terms of the Loan Note Agreement between the Company and RCF in relation to the share placement component of RCF's investment in the Company.
(l) Issued under the terms of the Loan Note Agreements between the Company and RCF, Sedgman and Kopejtka as payment of interest for the quarter ending 31 March 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
(m) Issued to employee as a performance bonus.
(n) Issued to sophisticated and professional investors in relation to the share placement completed on 20 June 2014
(o) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 30 June 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
(p) Issued to Andrew Caruso under his employment agreement
(q) Issued under Wonmunna Iron Ore Project Purchase agreement
(r) Issued to RCF and Gunvor under the terms of Share Subscription Agreements.
(s) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 30 September 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
(t) Issued to consultant as payment of invoice
(u) Tranche 2 shares issued to RCF under Share Subscription Agreement following shareholder approval at Annual General Meeting held on 27 November 2014.
(v) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 31 December 2014. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.
(w) Issued under the terms of the Loan Note Agreements between the Company and RCF and Sedgman as payment of interest for the quarter ending 31 March 2015. The number of shares issued were calculated by reference to the value of the interest payments and using the volume weighted

average price of the share sold on the ASX for the 10 most recent days prior to the date that the interest became due and payable, at a 5% discount.

(x) Conversion of RCF December 2013 load note for $400,000 at 12c per share.

(y) Issued under the terms of the Loan Note Agreements between the Company and RCF as payment of interest for the December 2013 loan note up to the conversion date 7 May 2015.

Options

As at 30 June 2015, the following options over unissued ordinary shares were on issue:

	No.	Grant Date	Issued Date	Expiry Date	Exercise Price
Unlisted Options					
Pursuit Capital Options (i)	3,136,335	28/11/2013	28/11/2013	28/11/2016	$0.20
Employee Incentive Options (ii)	400,000	22/2/2013	22/02/2013	22/2/2016	$0.40
	3,536,335				

(i) Options issued as part of the fee associated with the capital raising performed by Pursuit Capital.

(ii) Refer to Note 20 Share Based Payments for information regarding Employee Incentive Options.

17. RESERVES

	30-Jun-15	30-Jun-14
	$	$
Balance at the beginning of the year	**1,575,875**	582,712
Equity-settled share based payment transactions (i)	**5,398,961**	983,562
Foreign Currency Translation Reserve (ii)	**(49,160)**	9,601
Balance at 30 June 2015	**6,925,676**	1,575,875

(i) For further details on share-based payments as recorded within the Equity – settled share based payment reserve, refer to Note 20 Share-Based Payments. Equity-settled share based payment reserve comprises the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital. The share-based payment reserve remains as a separate component of equity.

(ii) Foreign Currency Translation reserve records exchange differences arising on translation of the assets and liabilities of overseas branches and subsidiaries are reflected in the foreign currency translation reserve.

18. EARNINGS PER SHARE

The calculation of basic loss per share was based on the loss attributable to ordinary shareholders of ($8,643,471) (2014: $4,247,091 loss) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2015 of 112,022,899 (2014: 25,399,413) calculated as follows:

a) Basic loss per share

	30-Jun-15	30-Jun-14
Net loss attributable to the ordinary equity holders of the Company ($)	**(8,643,471)**	(4,247,091)
Weighted average number of ordinary shares for basis per share (No.)	**112,022,899**	25,399,413
Continuing operations		
- Basic loss per share (cents)	**(7.72)**	(16.72)

b) Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

19. FINANCIAL RISK MANAGEMENT

At the reporting date, the Company holds the following financial instruments by category:

	30-Jun-15	30-Jun-14
	$	$
Financial assets		
Cash & cash equivalents	**3,155,239**	2,013,066
Trade & other receivables	**-**	14,916
	3,155,239	2,027,982
Financial liabilities		
Trade & other payables	**483,829**	2,325,551
Interest bearing loans & borrowings	**1,718,530**	2,760,102
	2,202,359	5,085,653

Financial risk management

The main risks arising from the Company's financial instruments are market risk (including equity price risk and interest rate risk), credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. Primary responsibility for identification and control of financial risks rests with the Board of Directors.

a) Capital management

The Company's capital includes share capital, reserves and accumulated losses. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Company may issue new shares in order to meet its financial obligations. There are no externally imposed capital requirements.

Share based payments are used to service debt commitments.

b) Equity price risk

Equity price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with the Board established mandate limits and investment strategies.

c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as it invests funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate deposits. The interest on interest bearing loans is fixed and therefore there is no additional risk.

	Weighted Average Interest Rate	**30-Jun-15 $**	Weighted Average Interest Rate	30-Jun-14 $
Financial assets				
Cash & cash equivalents	**2.2%**	**3,155,239**	2.9%	2,013,066
Net exposure		**3,155,239**		2,013,066
Financial liabilities				
Interest bearing loans	**14%**	**1,718,530**	14%	2,760,102
Net exposure		**1,718,530**		2,760,102

d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Company's maximum exposure to credit risk. All receivables are due within 30 days and none are past due.

(i) Cash

The Company's primary banker is National Australia Bank. The Board considers the use of this financial institution, which has a short term rating of A- from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

(ii) Trade & other receivables

While the Company has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

	30-Jun-15	30-Jun-14
	$	$
Standard & Poors rating		
A-	**3,155,239**	2,013,066

e) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company utilises share based payments to service debt commitments.

30-Jun-15	<6 months	>6 - 12 months	> 12 months	Total Contractual Cash Flows	Carrying Amount
	$	$	$	$	$
Financial assets					
Cash & cash equivalents	**3,155,239**	-	-	**3,155,239**	**3,155,239**
Non-interest bearing assets	-	-	-	-	-
	3,155,239	-	-	**3,155,239**	**3,155,239**
Financial liabilities					
Trade & other payables	**483,829**	-	-	**483,829**	**483,829**
Interest bearing loans & borrowings	**1,718,530**	-	-	**1,718,530**	**1,718,530**
	2,202,359	-	-	**2,202,359**	**2,202,359**
Net exposure	952,880	-	-	952,880	952,880

30-Jun-14	<6 months	>6 - 12 months	> 12 months	Total Contractual Cash Flows	Carrying Amount
	$	$	$	$	$
Financial assets					
Cash & cash equivalents	2,013,066	-	-	2,013,066	2,013,066
Non-interest bearing assets	14,916	-	-	14,916	14,916
	2,027,982	-	-	2,027,982	2,027,982
Financial liabilities					
Trade & other payables	2,325,551	-	-	2,325,551	2,325,551
Interest bearing loans & borrowings	2,266,909	-	493,193	2,760,102	2,760,102
	4,592,460	-	493,193	5,085,653	5,085,653
Net exposure	(2,564,478)	-	(493,193)	(3,057,671)	(3,057,671)

(f) Fair value measurements

The financial assets and liabilities of the Company are carried at fair value and are shown in the statement of financial position. At 30 June 2015 the Company has no tradeable financial instruments and therefore no valuation method for fair value measurement is required.

20. SHARE-BASED PAYMENTS

The following table lists the inputs to the model used:

	Executive Incentives			Employee Incentives	Broker Options
Number of shares granted	15,000,000	15,000,000	20,000000	2,510,000	3,136,335
Issue date	23-May-2014	23-May-2014	23-May-2014	13-Oct-14	28-Nov-13
Dividend yield	0%	0%	0%	0%	0%
Share price at issue date	$0.18	$0.18	$0.18	$0.15	$0.21
Issue price	$0.00	$0.00	$0.00	$0.00	$0.00
Volatility (i)	83%	83%	83%	83%	82.16%
Risk free interest rate	2.75%	2.75%	2.75%	2.75%	2.75%
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.20

Expiration period	2 years	3 years	4 years	2 years	3 years
Black & Scholes valuation	$0.18	$0.18	$0.18	$0.15	$0.11

(i) Volatility was determined based on the volatility of the share prices of the Company since it listed on the ASX.

a) Recognised share-based payment expense

The expense recognised for share-based payments during the financial year was $5,591,239 relating to the executive and employee incentives granted during the year.

Set out below is a summary of the terms and conditions of the Executive and Employee Incentives:

- The Executive Incentives are issued for no consideration. For the avoidance of doubt, the Executive Incentives are not issued under the Incentive Plan, but certain rules of the Plan may apply to the Executive Incentives as if they had been issued under the Plan.
- Subject to these Executive Incentive Terms, each Executive Incentive entitles the holder to subscribe for and be allotted one Share on exercise of the Executive Incentive.
- There is no exercise price payable upon exercise of each Executive Incentive.
- The Executive Incentives are subject to the following vesting conditions:

Tranche A 15,000,000 Executive Incentives, 810,000 Employee incentives *Non-market based condition*

- Approvals to commence mining are received.
- ‘Approvals to commence mining’ is defined as Ascot or its subsidiary obtaining:
  - written approval from the DMP to commence mining under the Mining Act
  - any other statutory environmental approvals, permits or licences as required by other Government agencies before mining should begin.

Tranche B 15,000,000 Executive Incentives, 700,000 Employee incentives *Non-market based condition*

- Commencement of mine pre-stripping i.e. defined as ‘breaking ground’
- Upon granting of an approval to mine by the DMP, the ‘commencement of mine prestripping’ would be defined as the first disturbance and excavation of either one of the following types of ‘surface material’ to a designated stockpile, waste dump or civil works location on any one of the Mining Leases:
  - Topsoil and vegetation
  - Overburden
- ‘Surface material’ is any material that is required to be removed to access any part of the Ore Reserve
- ‘Surface material’ does not include material required to be excavated to facilitate exploration, resource, geotechnical or hydrological drilling.

Tranche C 20,000,000 Executive Incentives, 1,000,000 Employee incentives *Non-market based condition*

- First product sales are achieved.
- 'First product sale' is defined as the completion of the first sale of product to a purchaser (ascertained at the time title of the product passes to the purchaser) at the designated 'sale location'.
- 'Sale location' is defined as any agreed loading point within or outside the Mining Leases.
-

b) Summary of options granted during the financial year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued.

	30-Jun-15		30-Jun-14	
	Number (i)	**WAEP (i)**	**Number (i)**	**WAEP (i)**
Outstanding at the beginning of the period	**3,536,335**	**0.22**	2,150,000	$0.40
Granted during the period	**-**	**-**	3,136,335	$0.20
Exercised during the period	**-**	**-**		
Lapsed/cancelled during the period	**-**	**-**	(1,750,000)	$0.10
Outstanding at the year end	**3,536,335**	**$0.22**	3,536,335	$0.22
Exercisable at the year end	**3,536,335**		**3,536,335**	

i. Stated on a post consolidation basis

The outstanding balance as at 30 June 2015 is as follows:

Grant date	Issue date	Vesting date	Expiry date	Exercise price	Options granted	Options Lapsed/ cancelled	Options exercised	Number of options at end of period On issue	Vested
Employees									
22-Feb-13	22-Feb-13	-	22-Feb-16	$0.40	400,000	-	-	400,000	400,000
Brokers									
28-Nov-13	28-Nov-13	-	28-Nov-16	$0.20	3,136,335	-	-	3,136,335	3,136,335

21. RELATED PARTY DISCLOSURE

a) Parent entities

The parent entity with the group is Ascot Resources Limited.

b) Subsidiaries

The consolidated financial statements incorporate assets, liabilities and resulted of the following principal subsidiaries in accordance with the accounting policy described in note 3(b).

2015	Country of Incorporation	Class of Shares	Ownership Interest
Parent Entity			
Ascot Resources Limited	Australia	Ordinary	
Subsidiaries (direct)			
Carbones de Colombia SL	Spain	Ordinary	100%
Wonmunna Iron Ore Pty Ltd	Australia	Ordinary	100%
Subsidiaries (Indirect - direct subsidiaries of Carbones de Colombia SL)			
Carb Uraba SAS	Colombia	Ordinary	100%
Carbones de Titiribi SAS	Colombia	Ordinary	90%

2014	Country of Incorporation	Class of Shares	Ownership Interest
Parent Entity			
Ascot Resources Limited	Australia	Ordinary	
Subsidiaries (direct)			
Carbones de Colombia SL	Spain	Ordinary	100%
Wonmunna Iron Ore Pty Ltd	Australia	Ordinary	100%
Subsidiaries (Indirect - direct subsidiaries of Carbones de Colombia SL)			
Carbones de Titiribi SAS	Colombia	Ordinary	90%

c) Key management personnel

Disclosures relating to Directors and Executives are set out in Note 22 Key Management Personnel Disclosures.

d) Transactions and balances with related parties

Disclosure relating to transactions and balances with related parties are set out in Note 22 Key Management Personnel Disclosures.

22. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Key management personnel

The following persons were key management personnel of the Company during the financial year:

Directors:

- Paul Kopejtka (Executive Chairman appointed on 10 December 2012, Managing Director from 7 January 2013 and Executive Chairman from 10 October 2014)
- Andrew Caruso (Chief Executive Officer from 7 January 2013, Managing Director from 18 March 2014, Executive Director from 10 October 2014)
- Francis DeSouza (Non-Executive Director from 1 January 2015, Executive Director 10 October 2014-31 December 2014)
- James McClements (Non- Executive Director from 13 October 2014)
- Shahb Richyal (Non-Executive Director from 13 October 2014)
- Nathan Featherby (Non- Executive Director from 13 October 2014)
- Mike Young (Non- Executive Director from 12 June 2015)

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel comprise the Directors of the Company and Executives of the Company. The performance of the Company depends upon the quality of its key management personnel. To prosper, the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Details of the remuneration of the Directors of the Company up to 30 June 2015 are set out in the table below.

30-Jun-15	Short-term employee benefits				Post-employment benefits	Share-based payments		
	Salary & fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Executive Incentives & Performance rights $	Total $	Percentage of remuneration consisting of options for the year (%)
Directors								
Mr Kopejtka	259,000	-	4,404	-	24,218	4,670,923	4,958,545	94%
Mr Caruso	300,000	-	4,404	-	28,063	697,954	1,030,421	68%
Mr DeSouza	49,000	-	-	109,026	4,532	-	162,558	-
Mr McClements	-	-	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-	-	-

30-Jun-15	Short-term employee benefits				Post-employment benefits	Share-based payments		
	Salary & fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Executive Incentives & Performance rights $	Total $	Percentage of remuneration consisting of options for the year (%)
Mr Featherby	-	-	-	-	-	-	-	-
Mr Young	-	-	-	-	-	-	-	-
Sub-total	608,000	-	8,808	109,026	56,813	5,368,877	6,151,524	
Other Key Management								
None	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Total	**608,000**	**-**	**8,808**	**109,026**	**56,813**	**5,368,877**	**6,151,524**	**-**

30-Jun-14	Short-term employee benefits				Post-employment benefits	Share-based payments		
	Salary & fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Executive Incentives & Performance rights $	Total $	Percentage of remuneration consisting of options for the year (%)
Directors								
Mr Kopejtka	141,665	-	4,276	-	13,128	710,343	869,412	82%
Mr Caruso	300,000	-	4,276	-	27,752	346,157	678,185	51%
Mr van den Elsen (i)	3,581	-	-	-	-	-	3,581	-
Mr DeSouza	36,000	-	-	-	3,330	-	39,330	-
Sub-total	481,246	-	8,552	-	44,210	1,056,500	1,590,508	
Other Key Management								
None	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Total	481,246	-	8,552	-	44,210	1,056,500	1,590,508	-

(i) Mr van den Elsen resigned 6 August 2013

Details of the remuneration of the Directors of the Company up to 30 June 2015 are set out below:

	30-Jun-15	30-Jun-14
Compensation by category	**$**	$
Short-term employee benefits	725,834	489,798
Post-employment benefits	56,813	44,210
Share-based payments	5,368,877	1,056,500
	6,151,524	1,590,508

b) Equity instruments disclosures relating to key management personnel

(i) Options or rights provided as remuneration and shares issued on exercise of such options:
There were no options provided to key management personnel during the 2015 financial year.
(ii) Shares issued on exercise of compensation options:
There are no shares issued on exercise of compensation options.
(iii) Option holdings:

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2015 are set out below:

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Net Other Change	Closing Balance	Not vested and not exercisable	Vested and exercisable
Mr Kopejtka	43,500,000	-	-	43,500,000	43,500,000	-
Mr Caruso	7,250,000	-	(750,000)	6,500,000	6,500,000	-
Mr DeSouza	-	-	-	-	-	-
Mr McClements	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-
Mr Featherby	-	-	-	-	-	-
Mr Young	-	-	-	-	-	-
	50,750,000	**-**	**(750,000)**	**50,000,000**	**50,000,000**	**-**

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2014 are set out below:

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Net Other Change	Closing Balance	Not vested and not exercisable	Vested and exercisable
Mr Kopejtka		43,500,000-	-	43,500,000	43,500,000	-
Mr Caruso		7,250,000-		7,250,000	7,250,000	-
Mr DeSouza	225,000-	-	(225,000)	-	-	-
	225,000	**50,750,000**	**(225,000)**	**50,750,000**	**50,750,000**	**-**

(iv) Share holdings

The number of shares in the Company or other key management personnel of the Company, including their related parties at any time during the financial year ended 30 June 2015 are set out below:

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Received During the Year on Exercise of Options or rights	Net Change Other	Closing Balance[1]
Mr Kopejtka	3,344,624	-	-	280,087	3,624,711
Mr Caruso	800,000	750,000	-	-	1,550,000
Mr DeSouza	342,500	-	-	-	342,500
Mr McClements	-	-	-	32,071,910	32,071,910
Mr Richyal	-	-	-	-	-
Mr Featherby	-	-	-	51,524,736	51,524,736
Mr Young	-	-	-	-	-
	4,487,124	**750,000**	**-**	**83,876,733**	**89,113,857**

The number of shares in the Company or other key management personnel of the Company, including their related parties at any time during the financial year ended 30 June 2014 are set out below:

Company Directors & Related Parties	Opening Balance (i)	Received as Remuneration	Received During the Year on Exercise of Options or rights	Net Change Other	Closing Balance
Mr Kopejtka	1,275,000	-	-	2,069,624	3,344,624
Mr Caruso	-	-	750,000	50,000	800,000
Mr van den Elsen (ii)	309,984	-	-	(309,984)	-
Mr DeSouza	342,500	-	-	-	342,500
	1,927,484	**-**	**750,000**	**1,809,640**	**4,487,124**

Notes:

(i) As part of the proposed acquisition of the Wonmunna Iron Ore Project, Ascot undertook a one-for-two share consolidation which completed on 6 June 2014. All numbers are stated on this basis.

(ii) Mr van den Elsen resigned 6 August 2013.

c) Material contracts with related parties

(i) Directors' Deeds of Indemnity

With every Director appointment, the Company enters into a deed of indemnity, insurance and access with each of its Directors. The Company entered into of Deed of Indemnity with Mr Kopejtka and Mr Caruso, with effect from their appointment dates. Under these deeds, the Company agrees to indemnify each Director to the extent permitted by the Corporations Act (2001) against any liability arising as a result of the Director acting in the capacity as a Director of the Company. The Company is also required to maintain insurance policies for the benefit of the Directors and must also allow the Directors to inspect Company documents in certain circumstances.

(ii) Kopejtka Convertible Note

During July 2013, the Company entered into a loan note agreement with an entity associated with Mr Paul Kopejtka, for the issue of a 1-year unsecured loan note ('the Kopejtka Note') raising A$650,000. The note was repaid in full on 2 February 2015.

(iii) Other transactions with key management personnel including their related parties

Hampshire Mining Pty Ltd
Hampshire Mining is a director- related entity of Mr Paul Kopejtka. During the financial year Ascot paid Hampshire Mining $37,833.70 (ex GST) for the 50% reimbursement of the recruitment fee associated with the appointment of the General Manager in Colombia paid by Hampshire Mining in 2013.

As part of the purchase by the Company of Carb Uraba SAS, Hampshire Mining was paid $30,000 under a deed of release relating to the Binding Heads of Agreement dated 5 September 2013 associated with the share purchase of Carbones del Golfo S.A.

Otsana Capital Pty Ltd
Otsana Capital is a director-related entity of Mr Francis DeSouza. During the financial year Ascot paid Otsana Capital $102,526 (ex GST) for consulting services in line with the agreement entered into in February 2014 to provide investor relations consultancy services to the Company. The Company agreed to pay Otsana for consultancy services at a rate of $14,367 per month . The agreement ended on 30 September 2014.

Baga River Pty Ltd
Baga River is a director-related entity of Mr Francis DeSouza. During the financial year Ascot paid Baga River $6,500 (ex GST) relating to ad-hoc consulting services provided by Mr DeSouza.

23. COMMITMENTS

Leasing Agreements

	30-Jun-15	30-Jun-14
	$	$
Within one year	**84,925**	123,273
After one year but not more than five years	**-**	-
After more than five years	**-**	-
Total minimum commitment	**84,925**	123,273

Exploration & Evaluation Commitments	**30-Jun-15**	30-Jun-14
	$	$
Within one year	**475,000**	-
After one year but not more than five years	**1,900,000**	-
After more than five years	**3,325,000**	-
Total minimum commitment	**5,700,000**	**-**

The commitments above are discretionary and subject to mining expenditure, they relate to the exploration tenements that the Company has interests in as at year-end.

24. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 26th August 2015 the $500,000 Sedgman Loan Note was repaid in full. On 21 September 2015, RCF's nominee on the Board of the Company, Mr James McClements, resigned as a Non-executive Director and was replaced by Mr Chris Corbett.

25. CONTINGENT LIABILITIES

Payments due to minority holder in Carbones de Titiribi

Cash payments will be due and payable to the holder of the 10% interest in Carbones de Titiribi ("Minority Holder"):

(a) a cash milestone payment - USD$1 million upon first quarterly production annualised at 300,000 tonnes per annum from the Licences; and
(b) bonus payments - JORC reserve linked:
  (i) if less than a 20 million tonne JORC reserve of coal is delineated on the Licence Area - no cash payments will be due to the Minority Holder;
  (ii) if a 20 to 30 million tonne JORC reserve of coal is delineated on the Licence Area – the Minority Holder will be entitled to a cash payment equal to USD$0.80 per tonne of coal defined, payable USD$0.10 in cash (within 60 days of receiving the JORC certification) and USD$0.70 as production royalty;
  (iii) if a 30 to 45 million tonne JORC reserve of coal is delineated on the Licence Area – the Minority Holder will be entitled to a cash payment equal to USD$1.00 per tonne of coal defined, payable USD$0.25 in cash (within 60 days of receiving the JORC certification) and USD$0.75 as production royalty;
  (iv) if a 45 to 60 million tonne JORC reserve of coal is delineated on the Licence Area – the Minority Holder will be entitled to a cash payment equal to USD$1.00 per tonne of coal defined, payable USD$0.35 in cash (within 60 days of receiving the JORC certification) and USD$0.65 as production royalty;
  (v) if a 60 to 75 million tonne JORC reserve of coal is delineated on the Licence Area – the Minority Holder will be entitled to a cash payment equal to USD$1.00 per tonne of coal defined, payable USD$0.50 in cash (within 60 days of receiving the JORC certification) and USD$0.50 as production royalty; and
  (vi) if in excess of a 75 million tonne JORC reserve of coal is delineated on the Licence Area – the Minority Holder will be entitled to a cash payment equal to USD$1.00 per tonne of coal defined, payable USD$0.75 in cash (within 60 days of receiving the JORC certification) and USD$0.25 as production royalty.

Payments due to Ochre Group Holdings Ltd

Under the share and purchase agreement with Ochre Group Holdings, the Company is required to pay a 1% royalty on gross sales relating to the Wonmunna Iron Ore Project, 12 months post first sale.

No other contingent liabilities were noted for the Company for the financial year ended 30 June 2015.

26. DIVIDEND

No dividend has been paid during the financial year and no dividend is recommended for the financial year (2014: nil).

27. REMUNERATION OF AUDITORS

	30-Jun-15	30-Jun-14
	$	$
Amounts received or due and receivable by Pitcher Partners Corporate and Audit (WA) Pty Ltd for:		
(i) An audit or review of the financial report of the Company	**32,000**	33,500
(ii) Other services in relation to the Company:	**-**	-
Total auditor remuneration	**32,000**	33,500

In accordance with a resolution of the directors of Ascot Resources Limited, the directors of the Company declare that:

- the financial statements and notes set out on pages 24 to 64 are in accordance with the *Corporations Act 2001*, and:
    - comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    - give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group, and
- in the directors' opinion there are reasonable grounds to believe that the Group will be able to pay their debts as and when they become due and payable; and
- the directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Financial Controller.

On behalf of the Board of Directors

Paul Kopejtka
Executive Chairman
Perth, Western Australia
21 September 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASCOT RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Ascot Resources Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PITCHER PARTNERS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASCOT RESOURCES LIMITED

Opinion

In our opinion:

(a) the consolidated financial report of Ascot Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 (a) to the consolidated financial report which indicates that the Group incurred a net loss of $8,643,471 during the year ended 30 June 2015. As of that date, the Group has a cash balance of $3,155,239. However, in order to continue operations for the next 12 months the Group is dependent upon raising additional finance. These conditions, along with other matters as set forth in Note 3 (a), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2015. The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ascot Resources Limited and its controlled entities for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

Paul Mulligan
Executive Director
Perth, WA
21 September 2015

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of Ascot Resources Limited and its controlled entities.

In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of Ascot Resources Limited and the entities it controlled during the year.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

Paul Mulligan
Executive Director
Perth, WA
21 September 2015

The following additional information was applicable as at 21 September 2015.

a) Fully paid ordinary shares

- There are a total of 138,720,006 ordinary fully paid shares on issue, all of which are listed on the ASX;
- The number of holders of fully paid ordinary shares is 313;
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company;
- There are no preference shares on issue.

Distribution of fully paid ordinary shareholders is as follows:

Distribution of Holders	Number of Fully Paid Ordinary Shareholders
1 - 1,000	9
1,001 - 5,000	53
5,001 - 10,000	28
10,001 - 100,000	158
100,001 and above	65
TOTAL	**313**

b) Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those who shareholding is valued at less than $500:

- There are 96 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shareholdings held in less than marketable parcels is 509.589.

c) Substantial shareholders

As at report date there are three substantial shareholders:

Name	No. of shares held
Ochre Group Holdings Ltd	50,000,000
Merrill Lynch Aust Nom PL	32,226,242
C-Sand PTD Ltd	19,625,811

d) Share buy-backs

There is no current on-market buy-back scheme.

e) Shares approved not yet issued

As at report date, there are no shares approved that have not been issued.

f) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(i) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
(ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
(iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

g) Top 20 Shareholders

The top 20 largest fully paid ordinary shareholders together held 90.39% of the securities in this class and are listed below:

Holder Name	Quantity	% Holding
OCHRE GRP HLDGS LTD	50,000,000	36.09%
MERRILL LYNCH AUST NOM PL	32,226,242	23.26%
C-SAND PTE LTD	19,625,811	14.17%
SEDGMAN LTD	3,731,443	2.69%
TASWA PL	3,220,000	2.32%
BNP PARIBAS NOM PL	2,471,047	1.78%
GUACAMAYA HLDGS INC	2,347,500	1.69%
WAUGH BARRY ARTHUR	1,753,173	1.27%
WINTERFELL NOM PL	1,524,736	1.10%
CARUSO ANDREW JAMES	1,500,000	1.08%
DAVID TIPPETT SMSF PL	1,200,000	0.87%
JEMAYA PL	1,000,000	0.72%
LAWRENCE CHRISTOPHER P	1,000,000	0.72%
THOMSON LINVANA	700,000	0.51%
BALL MICHELLE LUANA	625,000	0.45%
RCF MGNT LLC	524,823	0.38%
ELITE SKY INV LTD	473,608	0.34%
INCUS INV PL	451,000	0.33%
ROMFAL SIFAT PL	450,000	0.32%
CONFADENT LTD	411,000	0.30%

h) Options

The following options over unissued ordinary shares are on issue:

	Number	Issued Date	Expiry Date	Exercise Price $	No. of option holders
Unlisted Options					
Employee Incentive Options	400,000	22/02/2013	22/02/2016	$0.40	1
Executive Performance Rights	50,750,000	23/5/14	N/a	Nil	2
	51,150,000				

The unissued ordinary shares of the Company under option carry no dividend or voting rights. The grant date equals the vesting date for all options. When exercisable, each option is convertible into one ordinary share of the Company.

i) Tenements

At the date of signing the Directors report the Company held or was the beneficial owner of the following tenements:

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

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