A.C.N. 146 530 378

HALF YEAR FINANCIAL REPORT

31 December 2019

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Directors & Officers
Mr Paul Kopejtka (*Non-executive Chairman)*
Mr Chris Corbett *(Non-executive Director)*
Mr Shahb Richyal *(Non-executive Director)*
Mr Nick Longmire *(Company Secretary)*

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Share Registry
Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000

The Directors of Ascot Resources Limited (Ascot or the Company) present their report on the consolidated entity (Group), consisting of Ascot and the entities it controlled at the end of, and during, the half-year ended 31 December 2019.

1. DIRECTORS

The names the Company's Directors in office during the period and until the date of this report are set out below. Directors were in office for the entire period, unless otherwise stated.

Paul Kopejtka	*Non-executive Chairman*
Chris Corbett	*Non-executive Director*
Shahb Richyal	*Non-executive Director*

2. REVIEW OF OPERATIONS

Titiribi Coal Project, Colombia

During the period, the Company commenced winding up its operations in Colombia. The joint venture between the Company and its 10% joint venture partner, Carbones El Basal SAS (Basal) formally concluded on 27 July 2019. Once concluded, the Group initiated the process of transferring the concessions back to Basal, a process which can take up to two years. In parallel, the Group terminated the last employee and relinquished all other commitments. There are no further outgoings required from the Group. At the date of this report the concessions are still being processed by the local Ministry of Mines.

AAMC Receivable

The Company's main asset is a $13 million receivable from Australian Aboriginal Mining Corporation Pty Ltd (AAMC). This receivable forms part of the consideration of the sale of the Wonmunna Iron Ore Project (Project), completed in December 2018. The receivable is contingent upon AAMC bringing the Project into production, with the first tranche of $5.5 million due up to 12 months after commercial production levels are achieved.

The Company continues to monitor progress of AAMC's development of the Project and is regular communication with their management. At balance date, the Project was forecast to come into production in May 2020 and the valuation of the receivable reflects this. However, in light of the impact of the COVID-19 global pandemic and other events, this forecast commencement date will be delayed.

3. FINANCIAL RESULTS

The financial results of the Group for the half year ended 31 December 2019 are:

	31-Dec-19	30-Jun-19
Cash and cash equivalents	**887,750**	1,025,441
Net assets	**4,854,757**	4,926,248
	31-Dec-19	31-Dec-18
Net profit/ (loss) after tax	**(72,319)**	652,918

4. COVID-19 GLOBAL PANDEMIC

The Company continues to monitor the impacts of the Covid-19 Global Pandemic. Aside from any impacts mentioned above relating to AAMC and the development of the Project, the Company is not otherwise impacted.

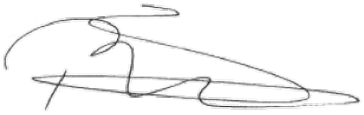
5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided with this report.

6. ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in this Directors' report and in the financial report have been rounded to the nearest dollar.

Signed in accordance with a resolution of the Directors.



Paul Kopejtka
Non-Executive Chairman
15 May 2020

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ASCOT RESOURCES LIMITED

In relation to the independent auditor's review for the half-year ended 31 December 2019, 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 APES 110 *Code of Ethics for Professional Accountants* (including independence Standards)

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
Perth, WA
15 May 2020

Pitcher Partners BA&A Pty Ltd

An independent Western Australian Company ABN 76 601 361 095.
Level 11, 12-14 The Esplanade, Perth WA 6000
Registered Audit Company Number 467435.
Liability limited by a scheme under Professional Standards Legislation.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

ASCOT RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019	31 December 2018
Continuing operations			
Other income		**2,932**	46,915
Net gain on financial assets at fair value through profit and loss		**136,784**	-
Net loss on financial liabilities at fair value through profit and loss		**(59,940)**	(340,043)
Directors fees and other benefits		**(9,000)**	(15,000)
Commercial settlement	**3**	**-**	(1,051,841)
Professional & consulting fees		**(62,015)**	(25,579)
Finance costs		**-**	(260,191)
Other expenses		**(57,462)**	(80,231)
Loss before income tax from continuing operations		**(48,701)**	(1,725,970)
Income tax expense		**-**	-
Loss after income tax from continuing operations		**(48,701)**	(1,725,970)
Discontinued operations			
Net (loss)/profit from discontinuing operations	**9**	**(23,618)**	2,378,888
(Loss)/profit from discontinued operations		**(23,618)**	2,378,888
Income tax expense		**-**	-
(Loss)/profit after income tax from discontinued operations		**(23,618)**	2,378,888
Net (loss)/profit		**(72,319)**	652,918
(Loss)/Profit for the year attributable to:			
Members of the parent entity		**(70,090)**	1,062,907
Non-controlling interests		**(2,229)**	(409,989)
Profit/(loss)		**(72,319)**	652,918
Other comprehensive income			
Exchange difference on translating foreign operations		**828**	52,199
Other comprehensive profit/ (loss) for the period		**(71,491)**	705,117
Total comprehensive profit/ (loss) for the period attributable to:			
Members of the parent entity		**(69,262)**	1,115,106
Non-controlling interests		**(2,229)**	(409,989)
		(71,491)	705,117
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic loss per share		**(0.03)**	(0.98)
Diluted loss per share		**(0.03)**	(0.98)
Earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company:			
Basic (loss)/earnings per share		**(0.01)**	1.35
Diluted (loss)/earnings per share		**(0.01)**	1.35
Profit/ (loss) per share attributable to the ordinary equity holders of the Company:			
Basic (loss)/earnings per share		**(0.04)**	0.37
Diluted (loss)/earnings per share		**(0.04)**	0.37

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes 7

ASCOT RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019	30 June 2019
Current Assets			
Cash & cash equivalents		**887,750**	1,025,441
Trade & other receivables		**-**	4,708
Assets held for sale	**9**	**10,305**	16,986
Other assets		**13,407**	17,772
Total Current Assets		**911,462**	1,064,907
Non-Current Assets			
Financial assets measured at fair value through profit and loss	**4**	**10,661,096**	10,524,312
Total Non-Current Assets		**10,661,096**	10,524,312
TOTAL ASSETS		**11,572,558**	11,589,219
Current Liabilities			
Trade & other payables		**76,852**	82,034
Liabilities held for sale	**9**	**3,288**	3,217
Total Current Liabilities		**80,140**	85,251
Non-Current Liabilities			
Financial liabilities measured at fair value through profit and loss	**5**	**6,637,661**	6,577,720
Total Non-Current Liabilities		**6,637,661**	6,577,720
TOTAL LIABILITIES		**6,717,801**	6,662,971
NET ASSETS		**4,854,757**	4,926,248
Equity attributable to the equity holders of the Company			
Contributed equity	**7**	**36,752,366**	36,752,366
Reserves		**1,250,274**	1,249,446
Accumulated losses		**(32,546,644)**	(32,476,554)
Non-controlling interest		**(601,239)**	(599,010)
TOTAL EQUITY		**4,854,757**	4,926,248

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ASCOT RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Issued Capital	Share-based Payment Reserve	Foreign Currency Translation Reserve	Equity reserve	Accumulated Losses	Non-controlling interest	Total Equity
At 1 July 2018	36,699,435	907,263	(80,426)	383,314	(32,947,658)	(219,126)	4,742,802
Comprehensive income:							
Profit for the period	-	-	-	-	1,062,907	(409,989)	652,918
Other comprehensive income for the period	-	-	52,199	-	-	-	52,199
Total comprehensive loss for the period	-	-	52,199	-	1,062,907	(409,989)	705,117
Issue of share capital	52,931	-	-	-	-	-	52,931
At 31 December 2018	36,752,366	907,263	(28,227)	383,314	(31,884,751)	(629,115)	5,500,850

	Issued Capital	**Share-based Payment Reserve**	**Foreign Currency Translation Reserve**	**Equity reserve**	**Accumulated Losses**	**Non-controlling interest**	**Total Equity**
At 1 July 2019	**36,752,366**	**907,263**	**(41,131)**	**383,314**	**(32,476,554)**	**(599,010)**	**4,926,248**
Comprehensive income:							
Loss for the period	**-**	**-**	**-**	**-**	**(70,090)**	**(2,229)**	**(72,319)**
Other comprehensive income for the period	**-**	**-**	**828**	**-**	**-**	**-**	**828**
Total comprehensive loss for the period	**-**	**-**	**828**	**-**	**(70,090)**	**(2,229)**	**71,491**
At 31 December 2019	**36,752,366**	**907,263**	**(40,303)**	**383,314**	**(32,546,644)**	**(601,239)**	**4,854,757**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

		31 December 2019	31 December 2018
Cash flows used in operating activities			
Payment to suppliers & employees		**(147,287)**	(1,113,488)
Interest received		**2,932**	9,852
Net cash flows used in operating activities		**(144,355)**	(1,103,636)
Cash flows used in investing activities			
Proceeds from sale of subsidiary		**-**	7,000,000
Transaction costs to facilitate sale		**-**	(687,797)
Payment of outstanding stamp duty		**-**	(1,138,280)
Payment for exploration & evaluation expenditure		**-**	(295,102)
Net cash flows from/ (used in) investing activities		**-**	4,878,821
Cash flows from financing activities			
Repayment of convertible note		**-**	(3,043,689)
Net cash flows used in financing activities		**-**	(3,043,689)
Net increase / (decrease) in cash and cash equivalents		**(144,355)**	731,496
Cash and cash equivalents at beginning of period		**1,041,305**	418,899
Cash and cash equivalents at end of period	**10**	**896,950**	1,150,395

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

(a) Statement of compliance

This general purpose interim financial report of the Group for the period has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the 30 June 2019 annual financial statements and any public announcements made by the Company during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001.*

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies adopted in the preparation of this financial report for the Period under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2019 unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this instrument applies.

The half-year financial report was approved by the Board of Directors on 14 May 2020.

(c) New Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019, except for the adoption of new standards effective as of 1 July 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

A number of new and amended accounting standards are effective for the current reporting period, however, the change to the Group's accounting policies arising from these standards has not required the Group to make retrospective adjustments as a result of adopting these standards. The adoption of the new and amended accounting standards has therefore had no material impact on the Group for the half-year ended 31 December 2019.

AASB 16 Leases

AASB 16 Leases ('AASB 16') became mandatorily effective on 1 January 2019. Accordingly, this standard applies for the first time to this set of financial statements. AASB 16 replaces AASB 117 Leases and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis.

Subsequent to initial recognition:

a) Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

i. Investment property, the lessee applies the fair value model in AASB 140 Investment Property to the right-of-use asset; or

ii. Property, plant, or equipment, the applies the revaluation model in AASB 116 Property, Plant and

Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

b) Lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

The Company has no lease arrangements – it transferred its administration function to a corporate services practice in April 2019. Hence, the adoption of AASB 16 for the half-year ending 31 December 2019 did not have any impact on the transactions and balances recognised in the half-year financial report.

Other amendments and interpretations relevant to the Group include *Interpretations 23 - Uncertainty Over Income Tax Treatments.* The effective date of this interpretation was 1 January 2019.

The amendments and interpretations above, all of which apply to the group as at 1 July 2019 have not had a material impact on the transactions and balances recognised in the financial statements.

(d) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

(e) Accounting standards issued but not yet effective

In the half-year ended 31 December 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2020.

It has been determined by the Company that, there is no material impact of the new and revised standards and interpretations on its business and therefore no change is necessary to the Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

(f) Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

In preparing this half-year financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019.

2. SEGMENT INFORMATION

The Group has identified its operating segments on the basis of internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

During the six months to 31 December 2019, there were two operating segments, which were:

- Colombia – The Group's joint venture in Colombia terminated in July 2019 (Refer Note 9). The Group's activities in Colombia after termination were associated with winding up its interests.; and
- Australia – Administration and monitoring of receivable from AAMC.

The revenues and loss generated by each of the Company's operating segments and segment assets for comparatives are summarised as follows:

Six months to 31 December 2019	**Colombia**	**Australia**	**Inter-segment eliminations**	**Total**
Segment revenue	-	-	-	-
Segment other income	-	2,932	-	2,932
Segment operating profit/(loss)	(23,618)	(64,739)	16,039	(72,319)
Segment assets	10,305	11,562,253	-	11,572,558
Segment liabilities	3,288	6,714,513	-	6,717,801

Six months to 31 December 2018	Colombia	Australia	Inter-segment eliminations	Total
Segment revenue	-	-	-	-
Segment other income	1,450	45,465	-	46,915
Segment operating profit/(loss)	(4,098,435)	4,751,353	-	652,918
Segment assets	56,671	12,272,028	-	12,328,699
Segment liabilities	304,478	6,523,371	-	6,827,849

3. COMMERCIAL SETTLEMENT

	31 December 2019	31 December 2018
Commercial settlement	**-**	1,100,000
Fair value adjustment on $300,000 payable	**-**	(48,159)
Total expenses	**-**	1,051,841

On 20 August 2018, Gunvor Singapore Pte Ltd (Gunvor) and the Company entered into a Settlement Deed to facilitate the termination and release of the Gunvor Consultancy Agreement.

In September 2014, the Company and Wonmunna Iron Ore Pty Ltd (WIO) entered into the Gunvor Consultancy Agreement, in which WIO appointed Gunvor as an exclusive service provider to provide consultancy services as its agent in order to enter into ore sale agreements and shipping contracts. WIO's obligations under the Consultancy Agreement were guaranteed by the Company. The Consultancy Agreement was linked to the Wonmunna Iron Ore Project and, in addition, Gunvor claimed that WIO and the Company owed certain unpaid amounts to Gunvor under the Consultancy Agreement. One of the Conditions Precedent to the Wonmunna Iron Ore Project sale was that the Gunvor Consultancy Agreement was terminated and the Company and WIO were released from all claims and liabilities arising from the Gunvor Consultancy Agreement.

The payment to Gunvor consisted of $800,000 at the Wonmunna Iron Ore Project Sale Completion date (13 December 2018) with the balance of $300,000 (fair value at 31 December 2018, $251,841) due and payable after the receipt of Production Payment 1 from AAMC.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2019	30 June 2019
Non-current		
Financial assets measured at fair value through profit and loss	**10,661,096**	10,524,312
	10,661,096	10,524,312

As part of the share sale agreement with AAMC for the purchase of the Wonmunna Iron Ore project there are amounts receivable due to Ascot with specific milestones to be met:

- A$5,500,000, as Production Payment 1, by no later than 12 consecutive calendar months after the

Date of Commercial Production;

- A$5,500,000, as Production Payment 2, by no later than 24 consecutive calendar months after the Date of Commercial Production;
- A$2,000,000, as Production Payment 3, on or before the date which is the later of 36 consecutive calendar months after the Date of Commercial Production and the Production Payment 3 Date.

Commercial Production is defined as the date which is 60 days following the date on which an aggregate amount of 35,000 wet tonnes or more of iron ore product has been produced from the Project and delivered or made available to a purchaser of the iron ore product.

The receivables from AAMC are secured by a mortgage over the tenements that are owned by WIO.

These amounts have been treated as a financial asset on the Balance Sheet and have been valued at fair value at initial recognition and remeasured at 31 December 2019 through profit and loss.

5. FINANCIAL LIABILITIES MEASURED AT FAIR VALE THROUGH PROFIT AND LOSS

Non-current	**31 December 2019**	30 June 2019
Financial liability measured at fair value through profit and loss (a)	**364,458**	361,162
Financial liability measured at fair value through profit and loss (b)	**6,273,203**	6,216,558
	6,637,661	6,577,720

(a) Deferred payables

Deferred payables represents the fair value of amounts owing to Gunvor and another party where payment is contingent upon the proceeds of Production Payment 1 from AAMC have been received.

(b) Deferred consideration

The Company signed an Implementation Deed with Ochre Group Holdings Limited (Ochre) on 20 August 2018. This agreement went unconditional when completion of the sale of the Wonmunna Iron Ore Project to AAMC occurred on 13 December 2018. In this agreement, Ochre agreed to waive any liabilities that were still owed by the Company relating to the 2014 Sale and Purchase agreement (the additional consideration) and as consideration received two convertible notes. The two convertible notes are contingent upon receipt of Production Payment 2 ($5.5 million) and Production Payment 3 ($2 million). Ochre. The amount disclosed here represents the fair value of the amounts expected to be paid should those production payments from AAMC be received. Refer to Note 15 of the Company's 30 June 2019 Annual Report for detailed disclosure of the terms of conversion of the convertible notes.

These amounts have been treated as a financial liability on the Balance Sheet and have been valued at fair value at initial recognition and remeasured at 31 December 2019 through profit and loss.

6. FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

The following table provides the fair value classification of those assets and liabilities held by the group that are measured either on a recurring or non-recurring basis at fair value.

Year ended 31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets				
Other receivables	-	-	**10,661,096**	**10,661,096**
Total financial assets	-	-	**10,661,096**	**10,661,096**

Financial liabilities				
Other deferred payables	-	-	**364,458**	**364,458**
Deferred consideration	-	-	**6,273,203**	**6,273,203**
Total financial liabilities	-	-	**6,637,661**	**6,637,661**

Year ended 30 June 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets				
Other receivables			**10,524,312**	**10,514,312**
Financial liabilities				
Other deferred payables			**361,162**	**361,162**
Other contingent payable	-	-	**6,216,558**	**6,216,558**
Total financial liabilities	-	-	**6,577,720**	**6,577,720**

(b) Valuation techniques and significant unobservable inputs used in level 3 fair value measurements

31 December 2019	**Fair value $'000**	**Valuation technique**	**Description of valuation technique and inputs used**
Other receivables (initial recognition)	**10,661,096**	Net present value calculation	The fair value of other receivables is calculated using discounted cash flow analysis

Significant unobservable inputs used in calculating the deferred consideration are as follows:

- Commercial production date: 15 May 2020
- Production payment 1 due date: 15 May 2021
- Production payment 2 due date: 15 May 2022
- Production payment 3 due date: 15 May 2023 (assuming AAMC will achieve 6 million wet tonnes within 36 months of Commercial Production)
  Discount rate: 10% (pre-tax nominal)

31 December 2019	**Fair value $'000**	**Valuation technique**	**Description of valuation technique and inputs used**
Other deferred payables (initial recognition)	**364,458**	Net present value calculation	The fair value of other contingent payables is calculated using discounted cash flow analysis

Significant unobservable inputs used in calculating the deferred consideration are as follows:

- Commercial production date: 15 May 2020
- Payable due after receipt of AAMC Production Payment 1 (current estimate 15 May 2021)
- Discount rate: 7% (pre-tax nominal)

Deferred consideration	**6,273,203**	Net present value calculation	The fair value of contingent consideration is calculated using discounted cash flow analysis

Significant unobservable inputs used in calculating the deferred consideration are as follows:

- Commercial production date: 15 May 2020
- Convertible note 1 payment date: 15 May 2022 (receipt of Production Payment 2)
- Convertible note 2 payment date: 31 July 2023 (assuming AAMC will achieve 6 million wet tonnes within 36 months of Commercial Production)
- Discount rate: 7% (pre-tax nominal)

(c) Reconciliation of recurring level 3 fair value movements

For each asset and liability categorised as level 3 provide a reconciliation:

31 December 2019	Level 3 Other receivables	Level 3 Other deferred payables	Level 3 Deferred consideration
Opening balance	**10,524,312**	**(361,162)**	**(6,216,558)**
Total gains and losses recognised in profit or loss	**136,784**	**(3,296)**	**(56,645)**
Closing balance	**10,661,096**	**(364,458)**	**(6,273,203)**
Total gain and losses recognised in profit and loss			
Remeasurement of financial instrument	**136,784**	**(3,296)**	**(56,645)**
	136,784	**(3,296)**	**(56,645)**

7. CONTRIBUTED EQUITY

	31 December 2019		30 June 2019	
Share Capital	**$**	**No.**	**$**	No.
Fully paid ordinary Shares	**36,752,366**	**175,628,600**	**36,752,366**	175,628,600

Options
As at 31 December 2019, there were no options over unissued ordinary shares on issue.

8. DIVIDENDS

No dividend has been paid during the Period and no dividend is recommended for the period.

9. DISCONTINUED OPERATIONS

	31 December 2019	31 December 2018
Wonmunna Iron Ore Pty Ltd	**-**	6,478,774
Carbone de Colombia SL and its controlled entities	**(23,618)**	(4,099,886)
	(23,618)	2,378,888

Sale of Non-Current Asset – Wonmunna Iron Ore Pty Ltd
On 12 June 2018, the Company announced that it had reached agreement with Australian Aboriginal Mining Corporation Pty Ltd ("AAMC") to sell its shares in Wonmunna Iron Ore Pty Ltd ("WIO"). The consideration for the sale was $20 million. This sale was completed on 13 December 2018.

Carbone de Colombia SL and it's controlled entities (the 'CdCSL disposal group')
The Company, through its 100% held subsidiary, Carbones de Colombia SL (CdCSL) and it's controlled entities, Carbones de Titiribi SAS (CdT) and CarbUraba SAS (Carburaba) owns the Group's 90% beneficial interest in the Titiribi Coal Project.

The Titiribi Coal Project is a joint venture between CdCSL(90%) and Carbones El Basal SAS (Basal)(10%). The joint venture contract terminated on 27 July 2019. The Group have been winding up any operations in Colombia during the financial period. The joint venture company, CdT, is obligated to transfer the mining concessions it holds to Basal. The transfer process can take up to two years. At the date of these financial statements were approved, the transfer was not yet complete.

At 31 December 2019, the nets assets of the CdCSL disposal group were $7,017 (30 June 2019: $13,769)

10. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts:

	31 December 2019	30 June 2019
Cash and cash equivalents	**887,750**	1,025,441
Cash included in assets held for sale	**9,200**	15,864
	896,950	1,041,305

11. SIGNIFICANT EVENTS AFTER BALANCE DATE

The Company continues to monitor progress of AAMC's development of the Project and is in regular communication with their management. At balance date, the Project was forecast to come into production in May 2020.

Subsequent to year end, the Company understands that commercial production will not be achieved in May 2020. At the date of this report, AAMC have not provided a revised forecast date of achievement of commercial production due to the uncertainties in current business conditions resulting from the COVID-19 global pandemic.

Accordingly, the impact of the delay on the AAMC receivable and the Ochre payable is unable to be quantified.

In the Directors' opinion:

(a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the financial position as at 31 December 2019 and the performance for the half year ended 31 December 2019; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board of Directors.

Paul Kopejtka
Non-Executive Chairman
15 May 2020

PITCHER PARTNERS

ASCOT RESOURCES LIMITED
ABN 85 146 530 378

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

We have reviewed the accompanying half-year financial report of Ascot Resources Limited (the 'Company') and its controlled entities (the 'Group'), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Basis for Qualified Conclusion

As at 31 December 2019, the Company, through its 100% held subsidiary, Carbones de Colombia SL ("CdCSL") and it's controlled entities, Carbones de Titiribi SAS and Carb Uraba SAS owned the Group's 90% beneficial interest in the Titiribi Coal Project.

Under the terms of the original Titiribi Coal Project joint venture agreement, the mining concessions reverted back to Carbones El Basal SAS ("CEBSAS"), the 10% minority interest holder, on 27 July 2019; the transfer process is legally ongoing as at the date of this report.

The assets and liabilities of CdCSL and it's controlled entities have been presented separately as a disposal group (the 'CdCSL disposal group') with the results from the CdCSL disposal group presented separately in the consolidated statement of comprehensive income as 'discontinued operations'.

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ASCOT RESOURCES LIMITED
ABN 85 146 530 378

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

During the audit of the financial report for the year ended 30 June 2019, we were unable to obtain sufficient and appropriate audit evidence with respect the CdCSL disposal group as follows:

- assets of $16,986 and liabilities of $3,217 with net assets of $13,769
- other income of $383,091 and expenditure of $253,792, with a net gain of $129,299

Since opening balances affect the determination of the results of operations and cashflows, we are unable to determine whether any adjustments to the results of operations, cashflows and opening accumulated losses might be necessary for the half-year ended 31 December 2019.

In addition, as at 31 December 2019, the CdCSL disposal group assets and total liabilities classified as 'discontinued operations' in the consolidated statement of financial position amounted to $10,305 and $3,289 respectively, with a net asset position of $7,016 at 31 December 2019. The net loss of the CdCSL disposal group included in the loss from discontinued operations in the consolidated statement of comprehensive income amounted to $23,621 for the half year period ended 31 December 2019.

We were unable to obtain sufficient and appropriate evidence to support the carrying values of the above mentioned assets and liabilities and the loss that was incurred. Accordingly, the carrying values of the assets and liabilities and the loss may be materially different to the amounts shown in the consolidated statement of financial position.

Our review conclusion on the current half-year financial report is modified because of the possible effect of these matters and on the comparability of the current half-year's and the comparative period's results.

Qualified Conclusion

Based on our review, which is not an audit, except for the matters described on the *Basis for Qualified Conclusion* section of our report, we have not become aware of any matters that makes us believe that the half-year financial report of Ascot Resources Limited is not in accordance with the *Corporations Act 2001 including:* giving a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half-year period ended on that date, and complying with Accounting Standards AASB 134 *Interim Financial reporting* and the *Corporations Regulations 2001*.

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JOANNE PALMER
Executive Director
Perth, 15 May 2020