ABN 85 146 530 378

ANNUAL REPORT

30 JUNE 2020

TABLE OF CONTENTS
For the Year Ended 30 June 2020

CORPORATE DIRECTORY
For the Year Ended 30 June 2020

Directors
Mr Paul Kopejtka (*Non-executive Chairman)*
Mr Chris Corbett *(Non-executive Director)*
Mr Shahb Richyal *(Non-executive Director)*

Company Secretary
Mr Nick Longmire

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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 (the "Group") at the end of, and during, the financial year ended 30 June 2020.

1. DIRECTORS

The names and details of the Company's Directors in office at any time during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Paul Kopejtka

Non-Executive Chairman *BEng (Chem), AICD*
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 high-grade Jack Hills Iron Ore Stage 1 mine including the associated road and Geraldton port infrastructure.

Chris Corbett

Non-Executive Director *BEng (Hons Mech), BCom, GradDipAppFin, GradDipMine, CPEng*
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.

Shahb Richyal

Non–Executive Director *MChem (Hons), ACA*
Mr. Shahb Richyal is a member of the principal investments (and acquisition financing) team at Gunvor Group (Gunvor). 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.

2. COMPANY SECRETARY

Nick Longmire

Company Secretary *BCom, ACA*
Mr. Longmire has over 20 years' experience in the resources sector in a wide variety of finance and commercial roles including company secretary of publicly listed companies.

3. DIVIDENDS

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

4. 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 December 2012	2	2
Chris Corbett	Appointed 21 September 2015	2	2
Shahb Richyal	Appointed 6 October 2014	2	2

In addition to attending board meetings, the Directors use circular resolutions for Board decisions throughout the year. This is supported by discussions between Directors.

5. PRINCIPAL ACTIVITIES

The Group's principal activities during the financial year were the winding up of its operations in Colombia and the management of the receivable from Australian Aboriginal Mining Corporation Pty Ltd ("AAMC").

6. REVIEW OF OPERATIONS

Titiribi Coal Project (Colombia)

During the year, the Company continued, and largely completed, the 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 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. A detailed description of the payment schedule is in included in Note 7 Trade and Other Receivables in the financial statements.

The Company continues to monitor progress of AAMC's development of the Project and is regular communication with their management.

7. RESULTS OF OPERATIONS

The financial results of the Group for the year ended 30 June 2020 are:

	30-Jun-20	30-Jun-19
Cash and Cash Equivalents	**782,609**	1,025,441
Net Assets	**4,598,515**	4,926,248
Income	**4,609**	15,816
Net profit/(loss) after tax	**(368,864)**	91,220
Profit/loss (cents per share)	**(0.21)**	0.05
Dividend (cents per share)	**-**	-

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than changes noted elsewhere within the Director's Report, there were no significant changes in the state of affairs during the year.

9. SIGNFICANT EVENTS AFTER BALANCE DATE

In November 2020, AAMC prepaid all three production payments outstanding from the sale of the Project in December 2018 to the Company. The amount received was $13 million.

Concurrently, the Company has released any security it had over both the Project and, more generally, AAMC that was put in place at the time of the sale. Refer to note 7 of the notes to the financial statements for details on the security.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF THOSE OPERATIONS

The Directors will continue to evaluate new resource opportunities as they are identified by, or presented to, the Group. Further information in respect to these opportunities and other developments affecting the Group will be made available to the shareholders in accordance with the Company's continuous disclosure obligations under the *Corporations Act*.

11. OPTIONS

At the date of this report there were no unissued ordinary shares of Ascot under option. No shares were issued as a result of the exercise of options during the year.

12. 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 Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

13. ROUNDING OF AMOUNTS

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

14. INDEMNIFYING OFFICERS AND AUDITORS

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.

15. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2020 has been received and can be found on page 39 of the financial report.

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

Paul Kopejtka
Non-Executive Chairman,
Perth, Western Australia
20 November 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2020

Continuing operations	**Notes**	**30-Jun-20**	30-Jun-19
Interest income		**4,109**	7,791
Other income		**500**	8,025
Directors fees and other benefits		**(18,000)**	(24,000)
Commercial Settlement	**4**	**-**	(1,051,841)
Professional & Consulting Fees		**(85,106)**	(111,636)
Finance costs		**-**	(256,399)
Other expenses	**4**	**(98,947)**	(95,618)
Fair value movement on financial assets at fair value through profit and loss	**21**	**(177,490)**	(565,082)
Fair value movement on financial liabilities at fair value through profit and loss	**21**	**77,518**	(396,914)
(Loss)/profit before income tax from continuing operations		**(297,416)**	(2,485,674)
Income tax expense	**5**	**-**	-
(Loss)/profit after income tax from continuing operations		**(297,416)**	(2,485,674)
Discontinued operations			
(Loss)/profit from discontinuing operations	**20**	**(71,448)**	2,576,894
(Loss)/profit from discontinued operations		**(71,448)**	2,576,894
Income tax expense		**-**	-
(Loss)/profit after income tax from discontinued operations		**(71,448)**	2,576,844
Net (loss)/profit		**(368,864)**	91,220
(Loss)/profit for the year attributable to:			
Members of the parent entity		**(361,109)**	471,104
Non-controlling interests		**(7,755)**	(379,884)
		(368,864)	91,220
Other comprehensive income			
Exchange difference on translating foreign operations		**-**	39,295
Other comprehensive profit for the year		**(368,864)**	130,515
Total comprehensive loss / (profit) for the year attributable to:			
Members of the parent entity		**(361,109)**	510,399
Non-controlling interests		**(7,755)**	(379,884)
		(368,864)	130,515
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company:		**Cents**	Cents
Basic earnings/(loss) per share	**14**	**(0.17)**	(1.42)
Diluted earnings/(loss) per share	**14**	**(0.17)**	(1.42)
Earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company:			
Basic earnings/(loss) per share	**14**	**(0.04)**	1.47
Diluted earnings/(loss) per share	**14**	**(0.04)**	1.47
Earnings/(loss) per share attributable to the ordinary equity holders of the Company:			
Basic earnings/(loss) per share	**14**	**(0.21)**	0.05
Diluted earnings/(loss) per share	**14**	**(0.21)**	0.05

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 11-32.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	30-Jun-20	30-Jun-19
Current Assets			
Cash & cash equivalents	6	**782,609**	1,025,441
Trade & other receivables	7	**-**	4,708
Assets held for sale	8	**10,305**	16,986
Other assets	9	**25,006**	17,772
Total Current Assets		**817,920**	1,064,907
Non-Current Assets			
Financial assets measured at fair value through profit and loss	7	**10,346,822**	10,524,312
Total Non-Current Assets		**10,346,822**	10,524,312
TOTAL ASSETS		**11,164,742**	11,589,219
Current Liabilities			
Trade & other payables	11	**62,736**	82,034
Liabilities held for sale	8	**3,288**	3,217
Total Current Liabilities		**66,024**	85,251
Non-Current Liabilities			
Financial liabilities measured at fair value through profit and loss	11	**6,500,203**	6,577,720
Total Non-Current Liabilities		**6,500,203**	6,577,720
TOTAL LIABILITIES		**6,566,227**	6,662,971
NET ASSETS		**4,598,515**	4,926,248
Equity attributable to the equity holders of the Company			
Contributed equity	12	**36,752,366**	36,752,366
Reserves	13	**1,290,577**	1,249,446
Accumulated losses		**(32,837,663)**	(32,476,554)
Non-controlling interest		**(606,765)**	(599,010)
TOTAL EQUITY		**4,598,515**	4,926,248

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 11-32.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2020

	Attributable to equity holders of the Parent						
	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 year	-	-		-	(361,109)	(7,755)	(368,864)
Transfer of foreign currency translation reserve to statement of comprehensive income	-	-	41,131	-	-	-	41,131
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year							
Issue of share capital							
At 30 June 2020	36,752,366	907,263	-	383,314	(32,837,663)	(606,765)	4,598,515

	Attributable to equity holders of the Parent						
	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 year	-	-	-	-	471,104	(379,884)	91,220
Other comprehensive income/(loss) for the year	-	-	39,295	-	-	-	39,295
Total comprehensive loss for the year	-	-	39,295	-	471,104	(379,884)	130,515
Issue of share capital	52,931	-	-	-	-	-	52,931
At 30 June 2019	36,752,366	907,263	(41,131)	383,314	(32,476,554)	(599,010)	4,926,248

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 11-32.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2020

	Notes	30-Jun-20	30-Jun-19
Cash flows from operating activities			
Payment to suppliers & employees		**(253,604)**	(442,280)
Payment of commercial settlement	**4**	**-**	(800,000)
Interest received		**4,109**	7,791
Interest paid		**-**	(6)
Net cash flows used in operating activities	**6**	**(249,495)**	(1,234,495)
Cash flows from investing activities			
Proceeds from sale	**20**	**-**	7,000,000
Transaction costs to facilitate sale		**-**	(694,766)
Payment of outstanding stamp duty		**-**	(1,138,280)
Payment for exploration & evaluation expenditure		**-**	(266,364)
Net cash flows from/(used in) investing activities		**-**	4,900,590
Cash flows from financing activities			
Repayment of convertible notes		**-**	(3,043,689)
Net cash flows used in financing activities		**-**	(3,043,689)
Net (decrease)/increase in cash and cash equivalents		**(249,495)**	622,406
Cash and cash equivalents at beginning of period		**1,041,305**	418,899
Cash and cash equivalents at end of period	**6**	**791,810**	1,041,305

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 11-32.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation and statement of compliances

This financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 20 November 2020.

b) Reporting basis and conventions

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

c) Rounding of amounts

The Group has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the Directors' Report have been rounded to the nearest dollar.

d) New and amended standards adopted by the Group

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the Group:

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 Group 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 year ended 30 June 2020 did not have any impact on the transactions and balances recognised in the 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.

e) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2019. For further information refer to Note 2.

f) 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.

g) Principles of consolidation

The consolidated financial statements are those of the Group, comprising the financial statements of the parent entity and of all entities which the parent entity controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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.

A list of controlled entities is contained in Note 16(b).

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the financial report as well as their results for the period then ended.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

h) Revenue recognition

Interest income
Interest income is recognised on a time proportion basis and is recognised as it accrues.

i) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it Is probable that the differences will not reverse in the foreseeable future.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

j) 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.

k) 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 Consolidated Statement of Financial Position.

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) Foreign currency translations and balances

(i) Functional and presentation currency

The financial statements of each entity within the Group 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 Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies of entities within the 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.

On disposal of a foreign operation, the deferred cumulative amount recognized in equity relating to that foreign operation is recognized in the Statement of Comprehensive Income.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through the profit or loss

Financial Liabilities
Initial recognition and measurement
All financial liabilities are recognised initially at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at fair value through profit and loss, are subsequently measured at fair value. All other financial liabilities recognised by the group are subsequently measured at amortised cost

The Group's financial liabilities include trade and other payables, including the contingent payable (note 11).

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
- Financial liabilities at fair value through profit or loss;
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading;
- financial liabilities designated upon initial recognition as at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has designated its contingent payable at fair value through profit and loss by irrevocable election and it is subsequently measured at fair value.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

p) Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

q) Discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 128 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

r) 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 Group. 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) Contingent receivables
Contingent receivables relate to the sale Wonmunna iron ore project to AAMC and is revalued each reporting period using the Group's best estimate of fair value. See note 7 for further details.

(ii) Contingent payables
Contingent consideration forms part of the Wonmunna iron ore project acquisition with Ochre Group Holdings Ltd and is revalued each reporting period using the Group's best estimate of fair value. See note 15 for further details.

2. 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 Group. The new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements are provided below.

AASB 2018-6: Amendments to the Australia Accounting Standards – Definition of a business.
This standard amends AASB 3 Business Combinations' ("AASB 3") definition of a business and is applicable for financial reporting periods beginning on or after 1 January 2020. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. The revisions to AASB 3 also introduced an optional concentration test. If the concentration test is met, the set of activities and assets acquired is determined not to be a business combination and asset acquisition accounting is applied. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
The application of this amendment is effective from 1 January 2023 and will be adopted by the Group on 1 July 2023. This amendment to AASB 101 Presentation of Financial Statements clarifies the requirements for classifying liabilities as current or non-current.

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

3. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

During the year, the Group operated in two geographical segments. In Colombia, the first half of the financial year was spent winding up operations. In Australia, the Group has been undertaking administration, dealing with any corporate activity and managing the receivables from AAMC.

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

Year to 30 June 2020	Colombia	Australia	Intersegment eliminations	Total
Segment revenues/income	-	4,609	-	4,609
Segment profit/(loss)	(71,448)	(313,454)	16,038	(368,864)
Segment assets	10,305	11,154,437	-	11,164,742
Segment liabilities	(3,288)	(6,562,939)	-	(6,566,227)

Year to 30 June 2019	Colombia	Australia	Intersegment eliminations	Total
Segment revenues/income	-	15,816	-	15,816
Segment profit/(loss)	(3,870,701)	3,779,481	-	(91,220)
Segment assets	16,986	11,572,233	-	11,589,219
Segment liabilities	(3,217)	(6,659,754)	-	(6,662,971)

4. EXPENSES

COMMERCIAL SETTLEMENT

	30-Jun-20	30-Jun-19
Commercial settlement	-	1,100,000
Fair value adjustment on $300,000 payable	-	(48,159)
Total expenses	-	1,051,841

In the prior year, 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 due and payable after the receipt of Production Payment 1 from AAMC.

OTHER EXPENSES

	30-Jun-20	30-Jun-19
Depreciation expenses	-	14,880
Administration costs	**94,938**	75,478
Compliance and regulatory expenses	**4,009**	5,260
Total expenses	**98,947**	95,618

5. INCOME TAX EXPENSE

(a) Income tax expense	30-Jun-20	30-Jun-19
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)		
Accounting (loss)/profit before tax	**(368,864)**	91,220
Prima facie tax benefit/(payable) at Australian rate of 30% (2019: 30%)	**(110,659)**	27,366
Adjusted for tax effect of the following amounts:		
- Non-deductible / taxable items	**42,082**	4,486,962
- Non-taxable / deductible items	-	(2,500,676)
- Difference in overseas corporate tax rate	-	7,834
- Tax benefits not brought to account	**68,577**	(195,385)
- Tax losses utilised previously not brought into account	-	(1,826,101)
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:		
On income tax account:		
- Carried forward tax losses	**3,391,483**	855,733
- Deductible temporary differences	**16,478**	140,165
- Taxable temporary differences	**(6,616)**	(5,331)
Unrecognised net deferred tax assets	**3,401,345**	990,567

The Company estimates its unrecognized tax benefit is $3,391,483 (2019: $855,733) arising from temporary differences and income tax losses. The benefit of these losses and timing difference will only be obtained if:

- The Company derives future assessable income sufficient to enable the benefit from the losses to be realised;
- No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.
- The Company continues to satisfy the Continuity of Ownership Test or Business Continuity Test from the time the loss was incurred until the point of utilisation.

6. CASH AND CASH EQUIVALENTS

	30-Jun-20	30-Jun-19
Cash at bank	**782,609**	1,025,441

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

	30-Jun-20	30-Jun-19
Cash at bank	**782,609**	1,025,441
Cash at bank attributable to assets held for sale	**9,201**	15,864
	791,810	1,041,305

Reconciliation of net profit/(loss) after income tax to net cash flows from/ (used in) operating activities

	Note	30-Jun-20	30-Jun-19
Net profit/(loss) after income tax		**(368,864)**	91,220
Adjustments for:			
Depreciation		**-**	14,880
Other receivable written off		**-**	71,867
Impairment of exploration expenditure		**-**	4,179,553
Net foreign exchange differences		**-**	(535)
Profit from sale		**-**	(6,447,595)
Finance costs		**-**	256,399
Remeasurement of financial asset		**177,490**	565,082
Remeasurement of financial liability		**(77,518)**	396,914
Extinguishment of financial liability		**-**	(380,719)
Other expenses		**895**	782,280
FCTR transferred to profit and loss		**40,303**	-
Change in assets and liabilities			
(Increase)/decrease in trade & other receivables		**4,708**	(5,141)
(Increase)/decrease in other assets		**(7,234)**	(40,591)
(Increase)/decrease in assets held for sale		**20**	-
Increase/(decrease) in trade & other payables		**(19,295)**	(718,109)
Net cash flows used in operating activities		**(249,495)**	(1,234,495)

7. TRADE & OTHER RECEIVABLES

Current	**30-Jun-20**	30-Jun-19
Other receivables	**-**	4,708
	-	4,708
Non-current		
Financial assets measured at fair value through profit and loss	**10,346,822**	10,524,312
	10,346,822	10,524,312

Movement during the year	**30-Jun-20**	30-Jun-19
Receivable due from production payments 1 -3	**-**	13,000,000
Initial fair value adjustment through profit and loss	**-**	(1,910,606)
Contingent receivable recorded at fair value on initial recognition	**-**	11,089,394
Balance at the start of the year	**10,524,312**	-
Fair value movement	**(177,490)**	(565,082)
Fair value remeasurement at the end of the year	**10,346,822**	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 and a floating charge over the revolving assets and a fixed charge over any present property owned by AAMC.

These amounts have been recognised as a receivable on the Consolidated Statement of Financial Position and have been valued at fair value at initial recognition and remeasured at 30 June 2020 through profit and loss.

In November 2020, AAMC prepaid all three production payments outstanding from the sale of the Project in December 2018 to the Company. The amount received was $13 million. Concurrently, the Company has released any security it had over both the Project and, more generally, AAMC that was put in place at the time of the sale. This is also disclosed at significant event after balance date note 22.

8. ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale

		30-Jun-20	30-Jun-19
Cash		**9,201**	15,864
Other receivables		**1,104**	1,122
		10,305	16,986

Movement during the year		**30-Jun-20**	30-Jun-19
Balance at the beginning of the year		**16,986**	10,701,624
Carrying value transferred to profit on sale of non-current asset		**-**	(10,701,624)
Cash and other receivable transferred to assets held for sale		**-**	16,986
Balance written off		**(6,681)**	-
Carrying amount at the end of the year	**20**	**10,305**	16,986

Liabilities held for sale

		30-Jun-20	30-Jun-19
Trade and other payables		**3,288**	3,217

Movement during the year		**30-Jun-20**	30-Jun-19
Balance at the beginning of the year		**3,217**	42,066
Carrying value transferred to profit on sale of non-current asset		**-**	(42,066)
Trade creditors and other payables transferred to liabilities held for sale		**-**	3,217
Foreign exchange movement		**71**	-
Carrying amount at the end of the year	**20**	**3,288**	3,217

9. OTHER ASSETS

	30-Jun-20	30-Jun-19
Prepayments	**22,051**	17,772
GST receivable	**2,955**	-
	25,006	17,772

10. PLANT AND EQUIPMENT

Office Equipment	**30-Jun-20**	30-Jun-19
At cost	**-**	65,447
Accumulated depreciation	**-**	(65,447)
Total office equipment	**-**	-

Fixtures & Fittings	**30-Jun-20**	30-Jun-19
At cost	**-**	10,466
Accumulated depreciation	**-**	(10,466)
Total Fixtures & Fittings	**-**	-
Total Plant and equipment	**-**	-

11. TRADE AND OTHER PAYABLES

	30-Jun-20	30-Jun-19
Current		
Trade and sundry creditors (a)	**7,811**	6,959
Accruals (b)	**54,925**	75,075
	62,736	82,034

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.

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

Non-current	**30-Jun-20**	30-Jun-19
Financial liabilities measured at fair value through profit and loss - Deferred payables (a)	**356,837**	361,162
Financial liabilities measured at fair value through profit and loss - Contingent payable (b)	**6,143,366**	6,216,558
	6,500,203	6,577,720

Contingent payable

Movement during the year	**30-Jun-20**	30-Jun-19
Balance at the beginning of the year	**6,216,558**	5,846,138
Fair value adjustment for period	**(73,192)**	370,420
Carrying amount at the end of the year	**6,143,366**	6,216,558

a) Deferred payables consist of an amount of $300,000 owing to Gunvor (refer note 20 for further explanation) and an $100,000 owing to a third party which becomes due and payable upon receipt of production payment 1. Both amounts are non-interest bearing. Deferred payables are measured at fair value through profit and loss.

b) The Company signed an Implementation Deed with 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). The amount disclosed here represents the fair value of the amounts expected to be paid should the production payments from AAMC be received.

Subject to the Production Payment 1 distribution being made (or earlier on the occurrence of certain events prior to the Production Payment 1 distribution being made) the Company will issue Ochre a convertible note to secure repayment of a principal amount of $7,500,000, on the terms of a Convertible Note Deed between Ascot and Ochre. The principal amount is repayable in two tranches of $5,500,000 and $2,000,000 which mature on receipt of Production Payment 2 (in the amount of $5,500,000) and Production Payment 3 (in the amount of $2,000,000) by the Company. Ochre may elect to convert all or part of the principal amount of the convertible note into Shares at any time at a deemed issue price of $0.032 (i.e. a maximum number of 234,375,000 Shares).

The issue of Conversion Shares to Ochre is subject to the Company obtaining Shareholder approvals to the issue of Shares in order to facilitate the conversion to Shares.

Contingent payables are measured at fair value through profit and loss.

12. CONTRIBUTED EQUITY

	30-Jun-20		30-Jun-19	
Share Capital	**$**	**No.**	$	No.
Fully paid ordinary Shares	**36,752,366**	**175,628,600**	36,752,366	175,628,600

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 2020, there were 175,628,600 fully paid ordinary shares on issue. There are no preference shares on issue.

Options
As at 30 June 2020, there were no options over unissued ordinary shares on issue.

13. RESERVES

	30-Jun-20	30-Jun-19
Share-based payments reserve	**907,263**	907,263
Foreign currency translation reserve	**-**	(41,131)
Equity reserve	**383,314**	383,314
Balance at 30 June	**1,290,577**	1,249,446

Foreign currency translation reserve	**30-Jun-20**	30-Jun-19
Balance at the beginning of the year	**(41,131)**	(80,426)
Movement in foreign currency translation reserve	**-**	39,295
Transfer to Statement of Comprehensive Income	**41,131**	-
Balance at 30 June	**-**	(41,131)

Foreign currency translation reserve records exchange differences arising on translation of the assets and liabilities of overseas branches and subsidiaries.

During the year, the deferred cumulative amount recognized in equity relating to that foreign operation is recognized in the Statement of Comprehensive Income.

The convertible note equity reserve records the equity component recognised on issue of a convertible note.

14. EARNINGS PER SHARE

The calculation of basic earnings/(loss) per share was based on the profit/(loss) attributable to ordinary shareholders of ($368,864) (2019: $91,220) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2020 of 175,628,600 (2019: 175,429,719) calculated as follows:

Basic earnings/(loss) per share	**30-Jun-20**	30-Jun-19
(Loss)/profit from continuing operations	**(297,416)**	(2,485,674)
(Loss)/profit from discontinued operations	**(71,448)**	2,576,894
(Loss)/profit attributable to the ordinary equity holders of the Company	**(368,864)**	91,220
Net profit excluding interest paid on convertible note	**(368,864)**	91,220
Weighted average number of ordinary shares for basis per share (No.)	**175,628,600**	175,429,719
Diluted weighted average ordinary shares	**175,628,600**	175,429,719

Continuing operations	**30-Jun-20**	30-Jun-19
- Basic (loss)/earnings share (cents)	**(0.17)**	(1.42)
- Diluted (loss)/earnings/per share (cents)	**(0.17)**	(1.42)
Discontinued operations		
- Basic earnings /(loss) per share (cents)	**(0.04)**	1.47
- Diluted earnings /(loss)/ per share (cents)	**(0.04)**	1.47
EPS to ordinary equity holders		
- Basic earnings per share (cents)	**(0.21)**	0.05
- Diluted earnings per share (cents)	**(0.21)**	0.05

15. FINANCIAL RISK MANAGEMENT

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

Financial assets	**30-Jun-20**	30-Jun-19
Cash & cash equivalents (i)	**791,810**	1,041,305
Trade & other receivables (ii)	**1,104**	5,831
Contingent receivable	**10,346,822**	10,524,312
	11,139,736	11,571,448

(i) Includes cash included in assets held for sale of $9,201 (2019: $15,864)
(ii) Includes receivables in assets held for sale of $1,104 (2019: $1,122)

Financial liabilities	**30-Jun-20**	30-Jun-19
Trade & other payables (ii)	**66,024**	85,251
Deferred payable	**356,837**	361,162
Contingent consideration	**6,143,366**	6,216,558
	6,566,227	6,662,971

(iii) Includes trade and other payables of $3,288 (2019: $3,217) included in the liabilities held for sale

Financial risk management

The Board of Directors provides oversight to the Group on operational and business risk. The main risks arising from the Group's financial instruments are market risk (including equity price risk and interest rate risk), credit risk and liquidity risk. The Group 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 Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group 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.

b) 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 Group 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.

Financial assets	**Weighted average interest rate**	**30-Jun-20**	Weighted average interest rate	30-Jun-19
Cash & cash equivalents	**0.4%**	**791,810**	0.8%	1,041,305
Net exposure	**0.4%**	**791,810**	0.8%	1,041,305

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group'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 allowance for expected credit loss, represents the Group's maximum exposure to credit risk. All receivables are due within 30 days and none are past due.

(i) Cash

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

Standard & Poors rating	**30-Jun-20**	30-Jun-19
AA-	**782,609**	1,025,441

(ii) Trade & other receivables

While the Group 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.

d) Foreign currency risk

The Group ceased its international operations in October 2019 with the last overseas payment being made

in February 2020.

The Group is awaiting the transfer of the permits from its Colombian subsidiary to the joint venture partner. However, the Group is not expecting any future outgoings in respect to its Colombian operations or the Spanish holding companies. Accordingly, it believes that it is no longer exposed to any material foreign currency risk.

e) Liquidity risk management

Liquidity risk is the risk that the Group 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 Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining sufficient cash reserves and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

30-Jun-20	**< 6 months**	**> 6 - 12 months**	**> 12 months**	**Total Contractual Cash Flows**	**Carrying Amount**
Financial assets					
Cash & cash equivalents (i)	**791,810**	**-**	**-**	**791,810**	**791,810**
Non-interest bearing assets (ii)	**1,104**	**-**	**-**	**1,104**	**1,104**
Contingent receivable	**-**	**-**	**10,346,822**	**10,346,822**	**10,346,822**
	792,914	**-**	**10,346,822**	**11,139,736**	**11,139,736**
Financial liabilities					
Trade & other payables (iii)	**66,024**	**-**	**-**	**66,024**	**66,024**
Deferred payable	**-**	**-**	**356,837**	**356,837**	**356,837**
Contingent consideration	**-**	**-**	**6,143,366**	**6,143,366**	**6,143,366**
	66,024	**-**	**6,500,203**	**6,566,227**	**6,566,227**
Net exposure	**726,890**	**-**	**3,846,619**	**4,573,509**	**4,573,509**

(i) Includes cash included in assets held for sale of $9,201 (2019: 15,864)
(ii) Includes receivables in assets held for sale of $1,104 (2019: $1,122)
(iii) Includes trade and other payables in the liabilities held for sale of $3,288 (2019: $3,217)

30-Jun-19	< 6 months	> 6 - 12 months	> 12 months	Total Contractual Cash Flows	Carrying Amount
Financial assets					
Cash & cash equivalents (i)	1,041,305	-	-	1,041,305	1,041,305
Non-interest bearing assets	5,831	-	-	5,831	5,831
Contingent receivable	-		10,524,312	10,524,312	10,524,312
	1,047,136	-	10,524,312	11,571,448	11,571,448
Financial liabilities					
Trade & other payables(ii)	(85,251)	-	-	(85,251)	(85,251)
Deferred consideration	-	-	(361,162)	(361,162)	(361,162)
Interest bearing loans & borrowings	-	-	(6,216,558)	(6,216,558)	(6,216,558)
	(85,251)	-	(6,577,720)	(6,662,971)	(6,662,971)

Net exposure	961,885	-	3,946,592	4,908,477	4,908,477

(i) Includes cash included in assets held for sale of $1,624
(ii) Includes trade and other payables of $42,066 included in the liabilities held for sale.

16. 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 1(o).

	Country of Incorporation	Class of Shares	Ownership interest	Ownership interest
Parent Entity			**2020**	**2019**
Ascot Resources Limited	Australia	Ordinary		
Subsidiaries (direct)				
Carbones de Colombia SL	Spain	Ordinary	100%	100%
Subsidiaries (Indirect - direct subsidiaries of Carbones de Colombia SL)				
Carb Uraba SAS	Colombia	Ordinary	100%	100%
Carbones de Titiribi SAS	Colombia	Ordinary	90%	90%

c) Key management personnel

Disclosures relating to Directors are set out in Note 17 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 17 Key Management Personnel Disclosures.

17. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Directors

The following persons were Directors of the Company during the financial year:

- Paul Kopejtka (Executive Chairman appointed on 10 December 2012; Managing Director from 7 January 2013; Executive Chairman from 10 October 2016; Non-Executive Chairman from 3 February 2016)
- Chris Corbett (Non-Executive Director from 21 September 2015)
- Shahb Richyal (Non-Executive Director from 13 October 2014)

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

The Group'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 Group for 30 June 2020 and 30 June 2019 are set out below:

	Short-term employee benefits				Post-employment benefits	Share-based payments	
30-Jun-20 Directors	**Salary & fees**	**Termination Benefits**	**Non-monetary**	**Other**	**Super-annuation**	**Executive incentives**	**Total**
Mr Kopejtka	18,000	-	-	-	-	-	18,000
Mr Corbett	-	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-	-
Total	**18,000**	**-**	**-**	**-**	**-**	**-**	**18,000**

	Short-term employee benefits				Post-employment benefits	Share-based payments	
30-Jun-19 Directors	**Salary & fees**	**Termination Benefits**	**Non-monetary**	**Other**	**Super-annuation**	**Executive incentives**	**Total**
Mr Kopejtka	24,000	-	-	-	-	-	24,000
Mr Corbett	-	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-	-
Total	**24,000**	**-**	**-**	**-**	**-**	**-**	**24,000**

b) Equity instruments disclosures relating to directors

(i) Options or rights provided as remuneration and shares issued on exercise of such options:
There were no options provided to directors during the 2020 financial year (2019: Nil).

(ii) Shares issued on exercise of compensation options:
There are no shares issued on exercise of compensation options (2019: Nil).

(iii) Option holdings:
Details of options held directly, indirectly or beneficially by the Directors and their related parties at any time during the financial year ended 30 June 2020 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	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-
Mr Corbett	-	-	-	-	-	-
	-	-	-	-	-	-

Details of options held directly, indirectly or beneficially by the Directors and their related parties at any time during the financial year ended 30 June 2019 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	-	-	-	-	-	-
Mr Corbett	-	-	-	-	-	-
Mr Richyal	-	-	-	-	-	-
	-	-	-	-	-	-

(iv) Shareholdings:
The number of shares in the Company held by Directors of the Company, including their related parties

at any time during the financial year ended 30 June 2020 are set out below:

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Net Change Other	Balance at date of resignation	Closing Balance
Mr Kopejtka	18,224,711	-	-	-	18,224,711
Mr Richyal	-	-	-	-	-
Mr Corbett	-	-	-	-	-
	18,224,711	-	-	-	18,224,711

The number of shares in the Company held by Directors of the Company, including their related parties at any time during the financial year ended 30 June 2019 are set out below:

Company Directors & Related Parties	Opening Balance	Received as Remuneration	Net Change Other	Balance at date of resignation	Closing Balance
Mr Kopejtka	18,224,711	-	-	-	18,224,711
Mr Corbett	-	-	-	-	-
Mr Richyal	-	-	-	-	-
	18,224,711	-	-	-	18,224,711

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, Mr. Corbett and Mr. Richyal 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.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(ii) Transactions with other related parties

There were no transactions with other related parties during the year.

18. PARENT ENTITY

Information relating to Ascot Resources Ltd (the Parent Entity)

	30-Jun-20	30-Jun-19
Current Assets	**807,615**	1,047,920
Total Assets	**11,161,965**	11,572,232
Current Liabilities	**62,736**	82,031
Total Liabilities	**6,562,938**	6,659,752
Issued Capital	**36,752,367**	36,752,367
Retained losses	**(33,443,917)**	(33,130,464)
Share based payments reserve	**907,263**	907,263
Equity reserve	**383,314**	383,314
	4,599,027	4,912,480
Loss of the parent entity	**(313,454)**	(7,140,912)
Total Comprehensive Loss of the parent entity	**(313,454)**	(7,140,912)

As at 30 June 2020, the parent entity has no commitments, contingencies or guarantees.

19. REMUNERATION OF AUDITORS

	30-Jun-20	30-Jun-19
Amounts received or due and receivable by Pitcher Partners BA&A Pty Ltd and its related entities for:		
An audit or review of the financial report of the Company	**26,407**	28,128
Other services in relation to the Company:	**-**	-
	26,407	28,128

20. DISCONTINUED OPERATIONS

	30-Jun-20	30-Jun-19
Discontinued operations from Wonmunna Iron Ore	**-**	**6,447,595**
Discontinued operations from Carbone de Colombia SL and its controlled entities	**(71,448)**	**(3,870,701)**
	(71,148)	**2,576,984**

SALE OF NON-CURRENT ASSET – WONMUNNA IRON ORE

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 transaction was completed on 13 December 2018.

The results of the Wonmunna Iron Ore discontinued operations for the period are presented below:

(i) Financial performance information	30-Jun-20	30-Jun-19
Proceeds from sale – cash component	-	7,000,000
Proceeds from sale – receivable	-	13,000,000
	-	20,000,000
Fair value adjustment at initial recognition of $13m receivable	-	(1,910,607)
Fair value of consideration received	-	18,089,393
Net assets derecognised at date of loss of control	-	(10,838,877)
Transaction costs to facilitate sale	-	(802,921)
Exploration expenses written off	-	-
Profit/(loss) before income tax	-	6,447,595
Income tax expense	-	-
Profit/(loss) after income tax of discontinued operations	-	6,447,595
(ii) Cash flow information		
Net cash provided by / (used in) operating activities	-	(161,447)
Net cash provided by / (used in) investing activities	-	6,305,234
Net cash provided by / (used in) financing activities	-	-
Net cash inflow/(outflow)	-	6,143,787

(iii) Carrying amount of assets and liabilities	30-Jun-20	30-Jun-19
Cash	-	-
Exploration and evaluation assets	-	
Assets classified as held for sale	-	-
Liabilities held for sale	-	-
Net assets/(liabilities) attributable to discontinued operations	-	-

Carbone de Colombia SL and its 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 Carb Uraba SAS ("CU") owned the Group's 90% beneficial interest in the Titiribi Coal Project as at 30 June 2019. The Company has lost the control of the Titiribi Coal Project during the year given the joint venture agreement expired in July 2019.

The Company reviewed the carrying value of the exploration and evaluation expenditure held in CdT at ($4 million) during the prior year. With the mining concessions reverting back to the 10% joint venture partner, Carbones El Basal SAS ("CEBSAS"), in July 2019, the Company elected, to write off the capitalised exploration and evaluation expenditure as it is was considered likely that this expenditure will not be recovered for the year ended 30 June 2019.

The Company ceased operations in Colombia on 31 October 2019. Under the joint venture agreement with its partner, CEBSAS, the Company is obligated to transfer the tenements to Basal for a nominal fee. This process is ongoing.

The results of the CdCSL disposal group's discontinued operations for the period are presented below:

(i) Financial performance information	30-Jun-20	30-Jun-19
Extinguishment of financial liabilities	-	380,719
Other receivable written off	-	(71,687)
Loss on transfer of foreign currency translation reserve	(40,300)	
Exploration expenses written off	(31,148)	(4,179,733)
Loss before income tax	(71,448)	(3,870,701)
Income tax expense	-	-
Loss after income tax of discontinued operations	(71,448)	(3,870,701)
(ii) Cash flow information		
Net cash provided by / (used in) operating activities	(31,148)	-
Net cash provided by / (used in) investing activities	-	(266,364)
Net cash provided by / (used in) financing activities	-	-
Net cash outflow	(31,148)	(266,364)

(iii) Carrying amount of assets and liabilities	30-Jun-20	30-Jun-19
Cash	9,201	15,864
Other receivables	1,104	1,122
Assets classified as held for sale	10,305	16,986
Liabilities held for sale	(3,288)	(3,217)
Net assets/(liabilities) attributable to discontinued operations	7,017	13,769

21. 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 30 June 2020	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets				
AAMC contingent receivables (note 7)	-	-	10,346,822	10,346,822
	-	-	10,346,822	10,346,822
Financial liabilities				
Other deferred payables (note 11)	-	-	356,837	356,837
Ochre contingent payable (note 11)	-	-	6,143,366	6,143,366
Total financial liabilities	-	-	6,500,203	6,500,203

Year ended 30 June 2019	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets				
AAMC contingent receivables (note 7)	-	-	10,524,312	10,524,312
	-	-	10,524,312	10,524,312
Financial liabilities				
Other deferred payables (note 11)	-	-	361,162	361,162
Ochre contingent payable (note 11)	-	-	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

30-Jun-20	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
AAMC contingent receivables	10,346,822	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: 8 March 2021^ - Production payment 1 due date: 8 March 2022 - Production payment 2 due date: 8 March 2023 - Production payment 3 due date: (assuming AAMC will achieve 6 million wet tonnes within 36 months of Commercial Production) 8 March 2024 Discount rate: 10% (pre-tax nominal)			
Contingent payables (initial recognition)	356,837	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: 8 March 2021 - Payable due after receipt of AAMC Production Payment 1 (current estimate) 8 March 2022 - Discount rate: 7% (pre-tax nominal)			
Ochre contingent payable	6,143,366	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: 8 March 2021 - Convertible note 1 payment date: 8 March 2023 (receipt of Production Payment 2) - Convertible note 2 payment date: 8 March 2024 (AAMC will achieve 6 million wet tonnes within 36 months of Commercial Production) - Discount rate: 7% (pre-tax nominal)			

^The estimated date of commercial production has changed from the previous balance date. At 30 June 2019 it was estimated to be 31 December 2019. At 30 June 2020, it is estimated to be 8 March 2021.

c) Reconciliation of recurring level 3 fair value movements

For each asset and liability categorised as level 3:

30 June 2020	Level 3 AAMC contingent receivables	Level 3 Contingent payables	Level 3 Ochre contingent payable
Opening balance at 1 July 2019	**10,524,312**	**(361,162)**	**(6,216,558)**
Total gains/(losses) recognised in profit or loss	**(177,490)**	**4,325**	**73,192**
Closing balance	**10,346,822**	**(356,837)**	**(6,143,366)**
Total gains/(losses) recognised in profit and loss			
Remeasurement of financial instrument	**(177,490)**	**4,325**	**73,192**
	(177,490)	**4,325**	**73,192**

d) Valuation processes used for level 3 fair value measurements

The valuation process is based on a discounted cash flow. The discount rate used for the AAMC contingent receivable are the weighted average cost of capital for the Group. The discount rates used for the Ochre contingent payables and the other contingent debt payable are the implied cost of debt for the Ochre payables.

e) Sensitivity analysis for recurring level 3 fair value measurements

For fair values in Level 3, if the events below were to vary from that used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the 2020 year and equity is as follows:

Ochre contingent payable	**Impact on profit/(loss) after tax**	**Impact on equity**
Commercial production moved back by one year	**393,332**	**393,332**
Payment 3 does not occur until 48 months (8 March 2025)	**116,533**	**116,533**
Discount rate decreases by 1%	**165,100**	**165,100**

AAMC contingent receivable	**Impact on profit/(loss) after tax**	**Impact on equity**
Commercial production moved back by one year	**(941,630)**	**(941,630)**
Payment 3 does not occur until 48 months (8 March 2025)	**(127,903)**	**(127,903)**
Discount rate decreases by 1%	**(219,485)**	**(219,485)**

The sensitivity analysis was calculated by adjusting the net present value workings for the changes in inputs. Each input was changed separately leaving all other variables constant.

22. SIGNIFICANT EVENTS AFTER BALANCE DATE

In November 2020, AAMC prepaid all three production payments outstanding from the sale of the Project in December 2018 to the Company. The amount received was $13 million. Concurrently, the Company has released any security it had over both the Project and, more generally, AAMC that was put in place at the time of the sale. Please refer to note 7 for details on the security.

23. CONTINGENT LIABILITIES

No contingent liabilities were noted for the Group for the financial year ended 30 June 2020.

24. DIVIDEND

No dividend has been paid during the financial year and no dividend is recommended for the financial year (2019: nil).

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 7 - 32 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 2020 and of the performance for the year ended on that date of the Group, and
- in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors

Paul Kopejtka
Non-Executive Chairman
Perth, Western Australia,
20 November 2020

PITCHER PARTNERS

ASCOT RESOURCES LIMITED
ABN 85 146 530 378

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

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Ascot Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion - Discontinued Operations – Titiribi Coal Project

As disclosed in Note 20 of the financial report, as at 30 June 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 of concessions is currently being processed by the local Ministry of Mines as at the date of this report which, the company has been advised, may take up to two years.

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'.

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 year ended 30 June 2020.

As at 30 June 2020, the CdCSL disposal group assets and total liabilities classified as 'discontinued operations' in the consolidated statement of financial position amounted to $10,305 and $3,288 respectively, with a net asset position of $7,017 at 30 June 2020. The net loss of the CdCSL disposal group included in the loss from discontinued operations in the consolidated statement of comprehensive income amounted to $71,448 for the year ended 30 June 2020.

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 net gain may be materially different to the amounts shown in the financial report. Consequently, we were unable to determine whether any adjustments to these amounts are necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants(including Independence Standards)(* "the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
AAMC Contingent Receivable - Financial assets *Refer to Note 7*	
The Group successfully completed the sale of the Wonmunna Iron Ore Project in December 2018 to Australian Aboriginal Mining Corporation Pty Ltd ("AAMC"). The consideration for the sale is to be received in three tranches and the timing of the receipts is impacted by the commercial production date. The AAMC Contingent Receivable is to be recognised at fair value at initial recognition using initial assumptions about the commercial production date and other inputs and re-measured at 30 June 2020 with updated commercial production date assumptions and other inputs. The contingent receivable is classified as "level 3" (i.e. where inputs are unobservable) under the Australian Accounting Standards consequently significant management judgment is involved. These judgements include: • Determining the AAMC pre-tax nominal interest rates for fair value calculation at 30 June 2020; and • Determining commercial production date.	Our procedures included, amongst others: Obtaining an understanding of and evaluating the processes and controls associated with the accounting for the fair value of the AAMC Contingent Receivable. Performing enquiries with management to understand the substance of the transaction in order to identify any change in circumstance that would impact the fair value of the AAMC Contingent Receivable at 30 June 2020. Confirming with AAMC relating to the updated commercial production date as at 30 June 2020. Critically evaluating and challenging management's judgements, including the appropriate discount rate, for recognising the fair value of the of the AAMC Contingent Receivable, including its subsequent measurement at 30 June 2020. Re-performing the calculation supporting the fair value remeasurement of AAMC Contingent Receivable as at 30 June 2020. Assessing the Group's disclosures within the financial report and the appropriateness, including reasonableness with the assumptions and judgements made by management and the disclosures required by AASB 13 Fair Value Measurement.

Ochre Contingent Payable - Financial Liability *Refer to Note 11*	
The Group successfully completed the Wonmunna Iron Ore Project sale in December 2018, as described above. Following the completion of the Wonmunna project sale, the Implementation Deeds with Ochre Group Holdings Limited ("Ochre") were signed on completion of the sale of the Wonmunna Iron Ore Project to AAMC on 13 December 2018, which had the effect of the contractually binding Ascot to the two convertible notes to come into effect at the earlier of the following • Production Payment 1; • 60-120 days after Production Payment 1; and • An insolvency event Convertible note 1 has a principal amount of $5.5 million, conversion rate at $0.032 and matures at production payment 2. Convertible note 2 has a principal amount of $2 million, conversion rate of $0.032 and matures at production payment 3. The Ochre Contingent Payable was re-measured at 30 June 2020 with updated commercial production date assumptions and other inputs, using the above convertible note debt component terms. The Ochre Contingent Payable is classified as "level 3" (i.e. where inputs are unobservable) under the Australian Accounting Standards consequently significant management judgment is involved. These judgements include: • Determining the pre-tax nominal discount rates for fair value calculation for Ochre contingent payable at 30 June 2020; and • Determining commercial production date.	Our procedures included, amongst others: Obtaining an understanding of and evaluating the processes and controls associated with the accounting for the fair value of the Ochre Contingent Payable. Obtaining an understanding of the key terms within the Implementation deeds and Convertible Note deeds and to understand of the terms and conditions of the deeds, ensuring that the arrangement has been recorded and disclosed in accordance with the terms of these deeds, including using such deeds to provide supporting evidence of the Group's cost of debt. Confirming with AAMC relating to the updated commercial production date as at 30 June 2020. Critically evaluating and challenging management's judgements, including the appropriate discount rates used by management, for calculating the fair value of the Ochre Contingent Payable, including agreeing inputs to internal and external sources of information as appropriate. Re-performing the calculation of the fair value remeasurement of Ochre Contingent Payable as at 30 June 2020. Assessing the Group's disclosures within the financial report and the appropriateness, including reasonableness with the assumptions and judgements made by management and the disclosures required by AASB 13 Fair Value Measurement.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ASCOT RESOURCES LIMITED
ABN 85 146 530 378

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

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
Perth, 20 November 2020

PITCHER PARTNERS

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 2020, 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 year.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

JOANNE PALMER
Executive Director
Perth, 20 November 2020

Ascot Resources Limited
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