



Ascot Mining - 22 October 2008

Price: 35/40p
Hi/Lo: 52.5p/37.5p
Mkt Cap: £9.13m
Ticker: ASMP.pl and Frankfurt SE, AM3

Business: Gold mining in Costa Rica, Central America

- Three gold mines and two mills all fully permitted
- Annual gold production targeted to rise to 100,000 oz within 4 years
- Independently valued at 149p – 210p per share
- High grade gold 0.34 -1 oz per tonne (10-31g/t)
- Low operating costs at \$370 per ounce

In less than three years Ascot Mining has grown from a business plan to a gold mining company and now has three gold mines and two mills that are all fully permitted. The board has achieved its goal of early cashflow by fast tracking late stage projects into production through a combination of outright ownership, lease deals or joint ventures. First gold was poured in September 2007. The three mines are the Tres Hermanos Gold Mine (100%-interest) and Chassoul Gold Mine (100%) which are both rehabilitated underground mines; and the El Recio Gold Mine (100% interest) which will be an underground and open pit operation in the initial phases. The Chassoul Gold Mine and Mill are already 90% completed and the new money being raised should allow production to begin within 5-8 weeks at a rate of 10,000 ounces of gold per annum. At just the Chassoul Gold Mine, planned expansion will boost production up to 50,000 ounces per annum level within 3 years.

These gold properties lie along the Costa Rica Gold Belt and the team is looking to acquire more properties in this geologically exciting region with the plan to create a series of mines with a combined annual production of 100,000 ounces of gold. A well designed mining plan together with high grade gold, mostly within the range of 0.34 – 1 ounce per tonne (10- 31 g/t), means that operating costs should be to be kept as low as \$370 per ounce. Historically, this is a well-known mining area and there is ample supply of labour available locally in the nearby towns. Costa Rica is politically stable and is the longest established democracy in Central America. Major international companies like Caterpillar, Pfizer and Intel operate within the country. The Costa Rican operations should generate a healthy news flow as further gold mines are planned on being rehabilitated and brought back into production; plus there is expected to be the acquisition and construction of new mills, along with drilling results and upgrades in reserves.

Ascot Mining has an experienced management team who individually and together as a team have successfully completed a wide range of challenging mining projects. The team has in-depth experience not only of mining exploration through to production but also a real understanding of metallurgy and mill design. James A. Turner, P. Geo. of BlueMap Geomatics Ltd in Canada prepared an independent valuation of the company's operations and has put a valuation of between \$64m and \$90m which represents 149p – 210p. Certainly Mr. Turner is well respected in the industry and has worked on a variety of projects for the likes of Newmont, Noranda and Cominco.

Good news flow is also expected from new projects that are currently undergoing due diligence. International expansion through further acquisitions is a core part of the company's business strategy with acquisitions planned in Central, South and North America. A look on the website will show that there are sections on Mexico, Peru, and Canada just waiting to be completed. The management team has first-hand knowledge of the regional geology here and also possess substantial contacts in the mining industry throughout the region and are able to access exciting projects. The board has a clear plan to create shareholder value by continuing to pursue projects that offer early cashflow and take the waiting out of mining. Now that Ascot's gold production is about to rise substantially, the board are looking forward to highlighting this success story through a comprehensive investor relations programme.

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