

2nd March 2010

Ascot Mining* - Final Results - Targeting 28,850 Ounces of Gold in 2010. Speculative Buy with 81p Target Price.

Ascot's results for the 12 months to 30th September 2009 were released on the 26th of February with the company having met its initial target of producing a small amount of gold at its Costa Rican projects during the year under review.

The Chassoul Mill was commissioned on the 29th of September with the initial production rate of 50 tonnes per day (tpd) currently being increased to 150 tpd. The new tailings pond has a capacity of 400 tpd and thus future proof for Ascot's near-term needs as initial ore from the nearby Tres Hermanos and El Recio projects will be delivered to the Chassoul site. Two new gravity mills are expected to be operational this month which will remove any potential early processing bottlenecks at Chassoul, but final processing into dore bars will remain the sole responsibility of Chassoul.

Issues with the company's joint venture partner at La Toyota have suspended construction activities and thus prompted Ascot to accelerate development at its other sites to compensate for the loss in expected production. Ascot management remain confident that it's stated production target of 28,850 ounces of gold remains achievable for its 2010 financial year, and that the company can thus maximise its benefit from the expected continued strength in the gold price. The company will aggressively pursue the acquisition of complementary concessions both in Costa Rica and beyond, and believes it is well positioned to add to its current portfolio.

Financially, Ascot has maintained a disciplined approach to fund raising, opting to service its cash flow needs through several forward sales of gold as well as equity placings. This was evidenced by an announcement on the same day as the final results release that the company had forward sold 713 Troy ounces of gold for \$645,040 (average \$904.68 per ounce) and issued 398,839 shares raising \$235,287.

Key Data

EPIC	ASMP
Share Price	31p
Spread	29p – 33p
Total no of shares	36,421,542
Market Cap	£11.3 million
12 Month Range	27p – 46p
Market	PLUS
Website	www.ascotmining.com
Sector	Mining
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Revenue for the 12 months to 30th September 2009 was nil (£100,185 in 2008) and, with administrative costs doubling to £1.75 million (£0.86 million), the company's pre tax loss rose 123% to £2.0 million (£0.9 million) and resulting loss per share up 33% to 5.99p (4.5p). Borrowings fell from £2.68 million in 2008 to £2.22 million in 2009 and, with cash rising from £31,953 to £143,085, Ascot's net debt fell to £2.07 million (£2.65 million in 2008) as at 30th September 2009.

Ascot's diversified portfolio of production and near production assets has paid dividends and enabled it to maintain its momentum despite the disruption at La Toyota. Consequently we remain positive on the stock and retain our **speculative buy** recommendation with an 81p target price.

Forecasts Table:

Year to 30th Sep	Sales (£'m)	Pre-tax Profit (£'m)	Earnings Per Share (p)	Price Earnings Ratio	Dividends Per Share (p)	Dividend Yield (%)
2008A	0.1	(0.9)	(4.5)	NA	0	0.0
2009A	0	(2.0)	(6.0)	NA	0	0.0
2010E	8.7	2.3	4.4	7.05	0	0.0
2011E	23.2	10.3	19.8	1.6	0	0.0

*Worship Street Investments and the SF T1ps Smaller Companies Gold Fund which are advised by T1ps investment management, which is owned by RSH the ultimate owner of GE&CR, owns shares in Ascot. SH also owns Ascot shares.

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