

# **ASCOT MINING PLC**

## **Interim Financial Information and Results for the Six Months to**

**31 MARCH 2008**

### **Directors Report**

The Directors of Ascot Mining Plc (“the Group”) are pleased to announce the unaudited results for the six months to 31 March 2008. The net loss before taxation of GBP 449,911 covers the six months trading results of the Group from 1 October 2007 to 31 March 2008. During this period the Group has seen significant progress in the development of the two mines and the production of the first gold.

It is anticipated that with the continued development of both mines and the completion of the mill it will enable the volume of production to be increased in the second half year. The Directors will be keeping tight control over the Group’s costs to reduce the loss in the second half of the year.

### **Significant events**

During the period under review the Directors are pleased to report that the following significant events have been achieved:

- Approximately GBP2,000,000 in equity funding raised in total to date
- Acquisition of the subsidiary companies GBP4,197,250
- Mining Permits granted for Chassoul Mine 14 December 2007
- Flotation on PLUS Markets achieved 16 April 2008
- Flotation on Frankfurt achieved 30 April 2008
- Moratorium by the Costa Rican government on open pit mining lifted resulting in immediate opportunity to exploit previously unavailable resource at El Recio concession
- New Valuation completed by Competent Person

### **Overview**

The Directors are very pleased to report that the Group has obtained a listing on both the PLUS Market and Frankfurt stock exchange and wish to thank the Group’s Advisors and Auditors for their assistance and advice provided during this period.

The Group’s subsidiary companies, Veritas Mining and Veritas Gold have made considerable progress during the period. Construction at the Chassoul mine is approximately 65% complete and is on schedule to start producing in August 2008.

The Group suffered a set back to the production schedule at the La Luz joint venture mill, which resulted in our suspending operations until corrective measures could be established but we are pleased to report that the mill will soon become operational again in the near future.

The Group will be looking to raise additional working capital as a result of the problems encountered with the La Luz mill due to a lack of cash generation from the mill. The effect of the problems with the La Luz mill has been offset by expansion of the Group's resources at El Recio by some 22,000 ounces of gold.

As a Group we are now focusing on fast tracking the design, procurement and installation of a wholly owned mill facility at the Tre Hermanos concession adjacent to the El Recio site. This development has been planned and will provide the Group with complete control of its resources and resulting revenues and will enable the Group to deliver its longer term objectives.

## **Operations update**

### Veritas Gold – The Chassoul Mine

The rehabilitation work is progressing satisfactorily in difficult conditions. Work on some of the existing buildings and the upper tunnel is being focused on as the work is needed in order to reach the high-grade ore contained in the upper levels. Orders have been placed for the ball mill, crushers, screens, underground loading machines, drills, ventilation fans, and laboratory equipment. In addition an order has been placed for the fabrication of four large steel tanks, which due to the rapid increase in the price of steel, has escalated in price. A contract has been let for the construction of the tailing pond, which should be completed by the second week of July. The rapid escalation of fuel costs has added approximately US\$75,000 to the cost of this project. The main tunnel is advancing well and should be completed on time, but again due to increased fuel costs will be above the original budget. Despite the heavy rains, which can slow or sometimes stop progress, completion date for the project and start-up of the mill is scheduled for August 2008. The expected operating cost per MT (metric ton) is expected to be GBP50.50 or about GBP189.21 per oz of gold.

### Veritas Gold – Tres Hermanos – El Recio – Boston

Tres Hermanos level 4: Satisfactory progress has been achieved and the work remains on schedule. Current mining activity is concentrated in two veins, which show attractive gold and silver values. Indicated gold values are in the order of 0.30 oz/ton while silver values have been in excess of 3.00 oz/ton. Surface samples have returned gold values of +0.80 oz/ton. Check samples are being sent to Canada for confirmation of these results. As of 25 April there are 3 crews working two shifts per day, 6 days per week in this location. Two crews will concentrate on ore extraction, while the third crew will advance the main tunnel to reach the third vein. This area will be the main ore supply for the next two to

three months. Ventilation has been a problem, and temporary solutions have been implemented. Additional drilling equipment and ventilation fans have arrived from Canada and are now installed so should relieve some of the issues that were being faced. The main vein has been reached and a complete geological assessment is in progress to determine the best ore development system. The majority of the miners are now being moved to the Boston concession to develop and mine an identified vein carrying +0.30oz/ton levels. Some 60,000 tons grading 0.554 oz/ton have been identified in the upper levels of Tres Hermanos. Access and extraction methods are being evaluated from this area. Assuming an 80% recovery, this represents one year of mill feed. We plan to start surface mining as soon as possible.

El Recio: Mining activity is planned here for July. A local mining contractor is preparing an extraction quote, including crushing, for commencement early in July 2008.

Free Miners: Agreements have been reached with the majority of free miners groups to supply the company with ore to augment the material mined by the Group.

La Luz JV Mill: A preliminary resolution to the operating problems encountered has been reached and the mill resumed operation under the control and management of the Group on 23 June, 2008. Modifications to the circuit are now being implemented and overall improvements in performance will be visible within the next two to three weeks.

General: Due diligence on additional concessions has commenced. The Group's consulting geologist, James A. Turner P.Geo, will carry out this work. As previously announced, the Group will not be proceeding with the acquisition of San Martin and Boston MCC concessions.

Over all, I am pleased to advise that we have made considerable progress and have taken steps to remedy the difficulties we encountered. We are satisfied with our progress to date and remain confident of achieving our objectives in developing Ascot Mining as a progressive operating and producing company.

The Board of Directors approved the release of these interim results on 30 June 2008.

**David B Jackson**  
**Group Chief Executive**

Dated: 30 June 2008

The statement for the six-month period is unaudited but has been reviewed by the Group's auditors.

**ASCOT MINING PLC**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE SIX MONTHS ENDED 31 MARCH 2008**

	Notes	Unaudited Six Months Ended 31 March 2008 £	Audited Year to 30 Sept 2007
<b>Continuing Operations</b>			
Revenue	1.4	46,880	-
Cost of sales		196,656	-
Gross loss		149,776	-
Operating costs		300,135	5,000
Operating loss		449,911	5,000
Loss before taxation		449,911	5,000
Taxation		-	-
Loss after taxation from continuing operations		449,911	5,000
Dividend payable		-	-
Losses brought forward		5,000	-
Losses carried forward	6	454,911	5,000

**ASCOT MINING PLC**  
**BALANCE SHEET**  
**FOR THE SIX MONTHS ENDED 31 MARCH 2008**

		31 March 2008	30 Sept 2007
	Notes	£	£
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
Intangibles	2	4,078,317	-
Property, plant and equipment	2	3,021,907	-
Other assets	3	859,153	-
<b>Total Non-Current Assets</b>		<u>7,959,377</u>	-
<b>Current assets</b>			
Trade and other receivables		145,719	275,680
Cash at bank and in hand		440,695	2,905
Assets held for resale		-	50,000
<b>Total current assets</b>		<u>586,414</u>	<u>328,585</u>
<b>Total Assets</b>		<u>8,545,791</u>	<u>328,585</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	5	283,414	50,000
Share premium account	5&6	5,635,373	-
Profit and loss account	6	(454,911)	(5,000)
<b>Total Equity</b>		<u>5,463,876</u>	<u>45,000</u>
<b>Non- Current Liabilities</b>			
Borrowings		2,770,788	-
<b>Current Liabilities</b>	4	<u>311,127</u>	<u>283,585</u>
<b>Total Liabilities</b>		<u>3,081,915</u>	<u>283,585</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>8,545,791</u>	<u>328,585</u>

**ASCOT MINING PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 31 MARCH 2008**

**1. Accounting Policies**

**1.1 Accounting Convention**

The financial statements are prepared under the historical cost convention.

**1.2 Compliance with Accounting Standards**

The financial statements are prepared in accordance with applicable International Financial Reporting Standards (IFRS) and applied in accordance with the provisions of the Companies Act 1985.

**1.3 Consolidation**

Consolidated results have been prepared. The profit and loss account and balance sheet do include the results of the two trading subsidiaries.

**1.4 Revenues**

Revenue represents amounts receivable for goods net of VAT and trade discounts.

**1.5 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

Operations held for resale are stated at the lower of the carrying amount and the fair value less costs of realisation.

**1.6 Foreign currency**

Transactions in foreign currencies are translated into GBP at the rates of exchange ruling on the date on which transactions occur. At the balance sheet date foreign currency monetary items are translated into GBP at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the profit and loss account in the period in which they arise. At the balance sheet date, non-monetary items, which are carried in terms of historical denominated foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value denominated in a foreign currency, are reported using the exchange rate that existed at the date when the values were determined.

## 2. Non-Current Assets

	<b>31 March 2008</b>	<b>30 Sept 2007</b>
	<b>£</b>	<b>£</b>
<b>Intangibles</b>		
Goodwill	4,078,317	-
	<hr/>	<hr/>
<b>Property, plant and equipment</b>		
Chassoul mine	2,908,700	-
Mining equipment	69,288	-
Vehicles	39,696	-
Office furniture and equipment	4,221	-
	<hr/>	<hr/>
	3,021,907	-

## 3. Other Assets

	<b>31 March 2008</b>	<b>30 Sept 2007</b>
	<b>£</b>	<b>£</b>
Development costs	859,153	-
	<hr/>	<hr/>
	859,153	-

As an incentive for investment in Costa Rica, the government granted the mining industry the right to capitalise development costs, costs incurred to start production and rehabilitate production facilities, and then amortise these costs over five years from the commencement of production.

## 4. Current Liabilities

	<b>31 March 2008</b>	<b>30 Sept 2007</b>
	<b>£</b>	<b>£</b>
Trade creditors	307,044	283,585
Accruals and deferred income	4,083	-
	<hr/>	<hr/>
	311,127	283,585

## 5. Capital and Reserves

	31 March 2008	30 Sept 2007
<b>Ordinary Shares</b>	£	£
<b>Authorised</b>		
195,000,000 Ordinary shares of 1p each	1,950,000	1,950,000
<b>Allotted, called up and fully paid</b>		
23,341,415 Ordinary shares of 1p each	233,414	-
<b>Redeemable Preference Shares</b>		
Authorised and issued		
50,000 redeemable preference shares of £1 each	50,000	50,000
<b>Total Equity</b>	283,414	50,000

Options have been granted over 2,105,968 ordinary 1 pence shares on various terms as described in the respective agreements. Of these options Bridge Hall Stockbrokers Limited have subsequently converted their option to shares as noted in note 8 below.

## 6. Statement of movements on reserves

	Share premium account £	Profit and loss account £
<b>Balance at 30 September 2007</b>	-	(5,000)
Loss for the period	-	(449,911)
Premium on shares issued during the year	5,635,373	-
<b>Balance at 31 March 2008</b>	5,635,373	(454,911)

## 7. Reconciliation of shareholders' funds

	<b>31 March 2008</b>	<b>30 Sept 2007</b>
		<b>£</b>
Loss for the financial period	(449,911)	(5,000)
Proceeds from issue shares	5,868,787	50,000
	<hr/>	<hr/>
Net increase in shareholders' funds	5,418,876	45,000
Opening shareholders' funds	45,000	-
	<hr/>	<hr/>
Closing shareholders' funds	5,463,876	45,000

## 8. Post Balance Sheet Events

On the 4 April 2008 the company issued 330,668 ordinary shares of 1 pence each at a price of 45 pence.

On the 22 April 2008 the company issued 355,968 ordinary shares of 1 pence to Bridge Hall Stockbrokers Limited at an option price of 15 pence per share in accordance with the share option agreement.

On the 22 April 2008 the company issued 22,000 ordinary shares of 1 pence in respect of services rendered to the company.

## **ASCOT MINING PLC**

### **INTERIM ACCOUNTS**

#### **AUDITOR'S REVIEW**

##### **INTRODUCTION**

We have been instructed by the Company to review the financial information for the six months ended 31 March 2008 as above. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Company those matters we are required to state in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have formed.

##### **DIRECTORS RESPONSIBILITIES**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the Rules of PLUS.

##### **REVIEW WORK PERFORMED**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group Management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as test of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

## **REVIEW CONCLUSION**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 March 2008.

Clarkson Hyde LLP  
Chartered Accountants  
70 Conduit Street  
London W1S 2GF

30 June 2008

The interim financial information set out herein does not constitute full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial statements comprise the unaudited results for the six months ended 31 March 2008. The unaudited Group results have been prepared under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.