

ASCOT MINING UPDATE

Ascot Mining Plc ("Ascot" or the "Company") (Plus Markets ASMP & Xetra® AM3.DE) wishes to update on its progress on its recently undertaken expansion programme at its Chassoul Gold mine and mill facilities:

Work at the Chassoul project continues to progress on three fronts;

- mill expansion,

- underground construction, and

- Exploration.

While the Company acknowledges there have been delays in getting to this point it is pleased to report that the heavy lifting has been accomplished and the core construction and machinery installations are essentially complete, readying the way to move into a phase where production at the level of 150 tpd can be achieved and regularly maintained.

Mill Expansion:

Site preparation is complete and concrete foundations are poured in preparation for machinery installation. One of the more challenging aspects of the expansion has been successfully completed in that all the reinforced supporting structures are now in place, some to support the roofing and the massive inertia block to support the new large Ball Mill with capacity of 150 tpd. Due to the topography, the mill complex is confined to a relatively small physical area, and this work necessitated considerable custom design work to fabricate and install equipment in the available physical space in the most efficient manner which has been a major factor in the time taken to complete.

The large ball mill has now been successfully installed on a custom built steel frame secured to the newly poured reinforced concrete foundation. A custom transmission, which had to be specially designed to fit the available space will shortly be installed and connected to its electrically driven power source. The new structure and protective roofing over the mill and crushing circuits will ensure a safe work environment, protect the equipment and the crushed ore, thereby ensuring consistency is maintained. This milling facilities expansion has gone more slowly than originally envisioned, however the project is now well advanced toward the goal of tripling of processing capacity. As

part of this expansion, and in order to obtain uninterrupted production, the ball mill liner is being upgraded with a modified heavy duty welded liner. While the large ball mill is being prepared for production, the original smaller ball mill will be reconfigured to integrate with the modified mill circuit to maximize mill feed efficiency.

As part of the mill expansion and to provide for greater efficiency, the fine ore bin (which receives crushed ore from the secondary crusher and acts as a storage bin from which crushed ore is drawn to feed the ball mills), was replaced with a much larger steel fabricated bin. Although the existing facilities met the needs for the original ball mill, a tripling in mill capacity required a corresponding expansion of the fine ore bin. High quality steel for the fine ore bin was formed in advance and erected on site. The old fine ore bin had a concrete slab base and wooden walls. This was demolished to its base and then heavily reinforced concrete formed the foundation for the new silo. The silo was erected and welded on the foundations on August 12, 2010.

Like the tailings pond constructed in 2009, the capacity of the new fine ore bin was designed and constructed oversized to meet anticipated future needs and reflects Ascot Mining's confidence in continuing to develop its expansion strategy. The construction and installation of the new bin was completed on August 12, 2010. Two new ore feed conveyors are being fabricated for installation while a third conveyor is being reconfigured for greater efficiency. Once these conveyors are in place, the new fine ore storage and mill ore feed systems will be complete.

All ancillary activities are scheduled to be completed to coincide with the completion of the upgraded liner installation in the large ball mill. To meet the power demand of the expanded plant capacity, a 230KV generator has been purchased and will be installed in a temporary location on August 23, 2010. Once the expansion of the plant has been completed, the generator will be installed in a permanent location. To support the monitoring and management of this large increase in mill capacity requires an increase in laboratory capacity in order to produce the frequent assays and to analyze the results on a regular basis. The construction of a sample drying oven and some further rearrangement of lab equipment will be complete within a few weeks and photos of this work will be posted to the Company website

Underground Construction:

Stope preparation to the south in the Cajeta vein has been progressing well. Recently, the pace has been slower than scheduled due to water associated with the rainy season. The Company is pleased to report that while the inflow of water is a nuisance, it will not significantly impede progress of the miners. Sufficient timber is on site for the construction of the ore chutes and any other ground support that may be required. A larger air compressor is currently being refurbished and is expected to be available during the week of the 23rd of August. The increased availability of compressed air will greatly improve underground ore development as it delivers sufficient air at the required pressure for maximum drill efficiency. In order to sustain the higher level of projected production the main tunnel requires modifications, and this process has commenced.

On the 20th of May, Costa Rica experienced a 6.2 earthquake. It is this earthquake that is believed to have caused large rock fall in the main working area of the lower Cajeta tunnel. The tunnel has been cleaned and it is being reinforced with high quality timber. It has undergone a full inspection to detect weak supports, which when identified have been replaced. Underground development included driving a tunnel under the stope, laying down rails for ore transport, and installing ore chutes in the tunnel back (ceiling), all of which will result in more efficient working of the vein, leading to more consistent feed to the mill and consistent improvements in the economics of production.

Exploration:

There are three immediate exploration targets, the Negra, Pochota, and the surface continuation of the Cajeta vein. Surface trenching and detailed surveying under the direction of M Alan, site geologist, is ongoing. This work will provide vital data on the geology, grade, and attitude of these veins which have been identified as the primary targets out of the nine known veins on the property. It is anticipated that the results of Mr. Alan's work will identify the most appropriate location for a new exploration tunnel in the Negra vein and the relationship between the Pochota and Cajeta veins, which will provide substantial potential for increasing the workings on the property.

Mr. Andrew von Kursell, P.Eng. and COO of Ascot Mining Plc comments; "With this expansion nearing completion we have moved much closer to our original objective of utilizing the Chassoul operation as the hub of our Costa Rica operations. As evidenced by the extra large tailings pond and a fine ore delivery system which is designed to meet any further plant expansion, we have laid the foundation to accept ore from our other operations. Once the Chassoul mill resumes operation and the new installations are synchronized, work will continue on the installation of the two new and very much larger leach tanks which will increase recovery and at the same time allow us to vary the leach time required to maximize gold recovery from different ore types containing a variety of minerals. The scheduled restart of the plant is early September at which time mill throughput will be slowly increased to reach 150 tons per day throughput towards the end of September. This gradual increase in throughput is a prudent approach to ensure that all new and modified installations are functioning properly and are in sync with each other. We expect that our overall gold recoveries will remain at +/- 92% until the two new leach tanks are connected to the circuit at which time we anticipate a further increase in gold recovery. Once production at this level is established, gold production is targeted at 1,200 ounces per month. A special note of recognition is due to the crew and staff who worked long hours and showed a tremendous amount of ingenuity and whose knowhow and dedication enabled us to get the job done safely and on budget".

In Summary:

Ascot is very near completion of its announced expansion program at the Chassoul mine which, when finished, will triple capacity of the milling facility. The current interruption to production from Chassoul, while inconvenient in the near term, will make a significant improvement to the overall operations of the Company. Operations at Chassoul were necessarily interrupted in order to undertake the extensive expansion programme referenced herein that is currently nearing completion. This tripling of

production capacity is intended to mitigate the suspension the Company's mine and mill development at La Toyota which had been on time and on budget for start-up in December of 2009. These steps were publically announced when undertaken. The facts are - that the Company has been delayed in its efforts to maximise production, which delays are being addressed aggressively. The reason for the delay is a result of the unforeseen issues at the La Toyota project that have forced the Company's operating subsidiary to take legal action against the proposed JV partner. The effect was further exacerbated by the refusal of La Toyota to abide by the court order compelling it to return over \$1.3 Million of Ascot's equipment and machinery, much of which had to be replaced in order to continue with the Chassoul project. This event left the Company with a shortage of immediate working capital and of course a shortage of revenues due to interrupted production schedule.