

OPERATIONS UPDATE, EXPLORATION AND BOARD CHANGE

London: 9 May 2011. The Company is pleased to advise that the installation of a third ball mill, two electric air compressors and various ancillary equipment at its Chassoul mine site, are at an advanced stage. Circuit modifications and additional equipment, including a new large leach tank, will provide considerable flexibility in operations, minimize disruption to production and will position the Company to achieve its stabilized production target.

In addition to ongoing mining and exploration at the Chassoul mine, the Company is pleased to report that it has initiated a comprehensive exploration plan at its Tres Hermanos and El Recio concessions, with the goal of identifying a JORC/43-101 compliant resource of at least 1 million oz of Gold in the next 18 months. The Company and consulting geologists have identified several drill targets which are being prioritized. Where possible, exploration drilling will occur from underground stations which the Directors consider will be cost effective as it will greatly reduce the meters to be drilled to reach the designated targets. This will be augmented by drilling from the surface. It is expected to proceed with phase one of this programme within this quarter. The Company believes that successful development of minable reserves will ensure longevity for Chassoul and Tres Hermanos / El Recio.

David Jackson, the CEO of Ascot Mining stated "Having had a number of challenging issues in commissioning the plant, it is satisfying to be getting on with production at Chassoul. This production has been the planned basis for the funding of our anticipated exploration programme and the Company is now seeking to move swiftly ahead with quantifying what is believed will be a substantial compliant minable resource".

Furthermore, the Company announces that Dr. Michael Green has retired as a non-executive Director to pursue other interests. The Company thanks Dr. Green for his service and wishes him well.

As recently announced, Mr. Alex Panko has joined the board as a Non-Executive Director.

Mr. Panko has over 25 years experience of delivering a wide range of debt, equity and related financing products, most of which were specifically focused on the natural resources sector. As a senior Mining Finance professional, Alex either headed up or held senior positions in the Mining Finance teams of several leading global investment banks, and was directly responsible for numerous mining "deals of the year".

The Directors of the Issuer accept responsibility for this announcement.

Enquiries:
info@ascotmining.com

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